

The Politics of Co-operative and Non-profit
Housing in Inner-city Neighborhoods:
Analysis of Two Case Studies in Toronto

by

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Submitted to the Department of Architecture and the
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and Master of City Planning

Massachusetts Institute of Technology

ABSTRACT

The thesis examines two types of third sector housing organization--non-profit housing corporation and non-profit co-operative--in their attempts to intervene in the central land and housing market so as to make it possible to allow working class families to continue living in inner-city neighborhoods.

Though both organizations had similar objectives, they adopted different process framework for negotiations, decision making, and control. The framework was in turn affected by the neighborhoods' socio-economic contexts, by the organizations' base and structure, and by the scale and type of the projects.

The study analyzes in detail the setting in which the major interest groups interacted: the strategies they used to gain political support; and the way they negotiated for the control of their interests. Furthermore, the study finds that working class neighborhoods cannot be categorized into class stereotypes.

The triptych of ideology, interests, and control forms a useful basis for explaining why working class homeowners and middle class renovators behaved in the same manner and shared identical viewpoints, or why middle class advocates wanted to provide affordable housing to which working class property owners objected.

The study concludes that third sector housing is instrumental in preserving inner-city neighborhoods for the incumbent residents to stay. Among the two types of third sector housing, co-operatives bridge the gaps between control and management, between ownership and consumer rights, and between shelter/use and shelter/investment.

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TO JANET

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INTRODUCTION

Inner-city housing stock for low and moderate income families has been systematically reduced by development forces brought about by different processes: the urban renewal of the 1960s; the current government revitalization programs; and the ongoing 'up-filtering' or genteel blockbusting. The displacement of the less privileged families, as a result of market reinvestments in inner-city neighborhoods is a worldwide phenomenon. [see Donald Appleyard. The Conservation of European Cities. M.I.T. Press, 1979.]

Not only do these forces push out the less economically compatible blue collar class and fragment the neighborhoods' social and economic structure, they also generate a greater political reactivism among the 'renovators' that further disparages the interests of the incumbent low income families and consolidates the interests of the white collar class.

Depending on the perspective from which we look at it, stabilizing declining neighborhoods may mean unstabilizing the moderate and low income families. Yet stabilizing these families in their neighborhoods need

not mean promoting neighborhoods to decline. The term 'stabilizing' has, therefore, a dual relationship: first, stabilizing a 'declining' neighborhood usually entails the eviction of the poor; and second, stabilizing a 'rising' neighborhood connotes stopping the displacement of the moderate and low income families. In the context of the thesis, I shall use 'stabilizing' to mean maintaining or preserving neighborhoods for the incumbent working class families to stay and live.

INTENT

The thesis focuses on non-profit co-operative housing and non-profit sponsored rental housing in inner-city neighborhoods as mechanisms for stabilizing neighborhoods. Thus, one important aspect of this process is examined--housing the moderate and low income families in inner-city neighborhoods which are 'rising' or at the point of 'rising'.

The inquiry attempts to achieve the following three objectives:

- o to understand how the dynamics of inner-city neighborhood setting impact on the mechanisms--policy and organizational structure--for providing non-profit co-operative and non-profit rental housing;
- o to examine what control the neighborhood groups have in the development and planning processes-- who are served and by what means, and what the conflicting issues and perceptions are--that either fragment or integrate the structure of the neighborhoods; and
- o to explore those issues critical to the understanding of non-profit housing in inner-city neighborhoods.

MODE OF INQUIRY

The approach to the study is structured on the belief that 'useful' inquiry must be based on a particular constituency. The particular groups advocated in the study consists of the moderate and low income

families in inner-city neighborhoods. The thesis will be approached from the perspective of these groups, in terms of their rights to remain in their neighborhoods, if they so choose; to share in the decision making process; to participate in a neighborhood based planning process; and to achieve control over their environment.

In this manner, the study seeks to define the social and political contexts through understanding the values and consciousness of people with respect to the processes which operate around them, and through an analytical framework as a springboard for action. Thus, the mode of inquiry focuses on the power relations among various interest groups and organizations; on the bargaining process; and on the decision making mechanisms for shaping patterns of social and environmental change in inner-city neighborhoods.

CENTRAL QUESTIONS

The research will examine the two modes of operation--community based non-profit housing co-operative groups and the 'outside' sponsored non-profit rental housing organizations--in the way they develop affordable housing in inner-city neighborhoods. In particular, the study will discuss and compare the two "initiators" in terms of the following four questions:

1. To what extent are the social concerns and housing needs of the neighborhoods resolved or not resolved?
2. Which mode of operation can be more conducive to the social integration of inner-city neighborhoods?
3. How do the planning processes of these two "initiators" differ in terms of gaining control over their development?
4. As mechanisms for providing affordable housing, how effective are they in achieving that goal and in preserving inner-city neighborhoods for the moderate and low income families?

CASE STUDIES

The two case studies, described below, are chosen for two primary reasons. First, they represent two different types of non-profit organization that provide affordable housing in inner-city neighborhoods. Second, because of the commonality of the political and social contexts framework provides both the basis for comparing the two organizations and for formulating relationships between the process outcomes and the organization's structure, between project implementation and neighborhood control over the development.

The first case study is the Don Vale Co-operative Homes Inc. (DACHI), a neighborhood based non-profit co-operative organization that was formed for the purpose of providing low income housing in a neighborhood in which the moderate and low income renters were being forced out by middle class 'whitepainters'--a term commonly used in Toronto for renovators. The second case study is the City Non-profit Housing Corporation created to provide non-profit rental housing for the working class residents. The study focuses on one of the Corporation's projects--the Frankel/Lambert Development--which is a large scale housing development for some 800 families in a working class community.

STRUCTURE OF THESIS

The organization of the thesis is structured on three levels. First, a chronological structure, used as the format for presenting the case studies, ties different aspects of the case studies together so as to create a clear sense of the sequence of events: views of major actors are presented at a particular point in time, prior to or after some significant events. Though

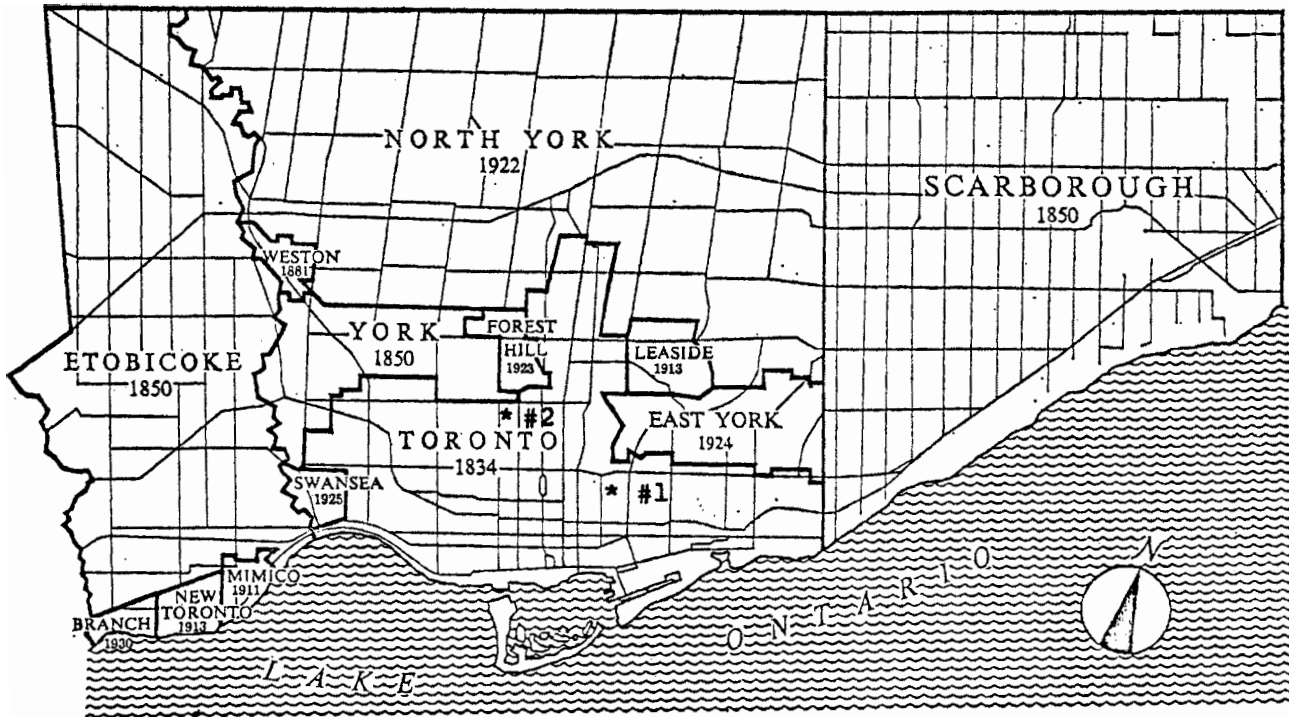
aspects of the case studies are analyzed, the analysis is intended for and pertains to each aspect. In this way, the chronological structure avoids mixing of evidence, data, and views that belong to different time horizon. The 'out of sequence' characteristic that often confuses the reader is deliberately eliminated by structuring the case study on a chronological order.

Second, the case study analysis, structured on a format based on the central questions described earlier, connects different aspects of the case. Each case study analysis is conducted because it allows in-depth inquiry, permits different scope and direction of the analysis in a manner each case study demands, and it avoids a comparative analysis that, if conducted without prior analysis, limits the level, scope, and direction of inquiry.

Third, the thesis organization is further integrated into a cohesive study, after each case study is analyzed, by comparing (a) the various aspects of the case studies, (b) the findings of the case studies, and by exploring the various thematic issues that surfaced by the discussion of the two case studies.

In this manner, the thesis is organized as follows: Chapter One describes the background of the two types of organizations; Chapter Two presents a chronologically structured account of DACHI with analysis of the aggregates of the case study; Chapter Three analyzes DACHI and posits the case findings; Chapter Four presents Frankel/Lambert in the manner similar to Chapter Two; Chapter Five analyzes Frankel/Lambert--but since DACHI has been analyzed before, comparisons between the two case studies are made--and posits the case findings; and Chapter Six synthesizes both

the findings of DACHI and Frankel/Lambert, explores the basic issues surfaced by both case studies, and posits the general findings of the study with particular emphasis on non-profit co-operative organizations.



CONTEXT MAP

Source: Metropolitan Toronto, Annual Report 1965.

Legend: * #1, location of DACHI non-profit co-operative housing project

* #2, location of Frankel/Lambert Development

CHAPTER ONE: BACKGROUND FOR CO-OPERATIVES
& NON-PROFIT HOUSING

1. INTRODUCTION

Amendments to the National Housing Act (NHA) in 1973 were responsible for the encouragement of housing developments by non-profit groups and co-operative societies--often referred to as the "third housing sector". The encouragement of such housing developments was due to, in part, the discontent with public housing and the inability of current government programs to provide housing needed by the middle and low income families.

Before the 1973 NHA Amendments, non-profit housing was developed primarily by charitable organizations, such as churches and various sponsor service groups, for the elderly. Though the projects were subsidized by government loans and mortgages, the rents were not supplemented by government programs because they were low enough to be affordable by the elderly. However, the inflation of the early 1970s made this impossible since the elderly had to pay up to \$100 a month in non-profit housing as compared with paying about \$40 a month in public housing. [Canadian Council on Social Development. A Review of Canadian Social Housing Policy. Ottawa: CCSD, 1977. p.117.]

In comparison with the 'outside sponsored' non-profit housing, the neighborhood based non-profit housing groups are expanding more rapidly

as a component of the third sector. In addition to developing new housing, neighborhood based citizens' groups are often involved with housing rehabilitation. Other groups have been based on local trade unions. Neighborhood based non-profit housing groups produce a very desirable and flexible type of housing because it usually involves local residents in planning and it is less rigidly structured than that produced and managed by public agencies. Third sector housing would be less likely to be opposed by local residents and more accommodating to neighborhood involvement in the development, planning, and management aspects.

Co-operative housing societies, however, have been much slower to develop because of the traditional reluctance of government agencies to provide mortgage funding. In this country, there are two kinds of co-operatives: "building" and "continuing".

Building co-operatives, a popular organization form in the Atlantic provinces, follow the principles of co-operatives up to a certain point. These building co-operatives are used for the collective construction of houses, usually single family detached, which are owned individually by the co-operative members. Although the group does work co-operatively during the planning and construction phases, the co-operative organization is dissolved, at some point, and private ownership occurs. Thus, this form in reality is a form of private homeownership; its primary purpose being to secure homes for members as economically as possible.

In Ontario, especially in large urban centers like Toronto, this type of co-operatives has not been used because of the very high price of land, and because of the fact that when public subsidy is required, co-

operatives have to be 'continuing'. Continuing co-operatives are a form of housing in which members jointly own the housing and occupy the homes under a housing agreement. Thus, it is essentially a form of rental housing where the tenants are also the landlords.

Continuing co-operatives, usually with membership ranging from 20 to 25 households, construct or purchase some form of multiple housing. Besides this difference in membership (more members instead of fewer members) and type of housing (multiple instead of single family detached), the continuing co-operative is basically different from the building co-operative in that the housing continues to be owned by the continuing co-operative, even after the mortgage is paid. The resident never owns his home outright but becomes part owner of the entire development.

In the past, there had been a gap between the non-profit companies and the co-operative societies. Their differences in motivation, organizational management, and philosophies were reinforced by their institutional bases. Non-profit companies were usually voluntary based associations, including neighborhood citizens' groups, while the co-operative movement, historically, had its base in the credit and trade unions.

However, since the NHA Amendments in 1973, these distinctions have become less and less clear. The third sector groups are increasingly bridging the gap, especially neighborhood citizens' groups which often take on both aspects of non-profit and co-operative, like DACHI. Even, the public sector, like the City Non-profit Housing Corporation, has the characteristics and the approach of private sponsor non-profit housing groups.

2. GOVERNMENT PROGRAMS & COMMITMENT

As a result of the 1973 NHA Amendments, there are four new programs that directly relate to third sector housing. First, the Community Housing Program provides 100% low-interest loans, a capital grant equal to 10% of the appraised project value, and maximum \$10,000 start-up funds. Besides, the non-profit housing groups and the co-operative organizations, community resource organizations that provide technical expertise to the third sector housing groups are eligible for this program.

Second, the Neighborhood Improvement Program (NIP) allows non-profit and co-operative groups to carry out housing rehabilitation, funded by the program, in an approved NIP area. Third, the Residential Rehabilitation Assistance Program (RRAP) authorizes rehabilitation loans and subsidies to owner occupants, private landlords and non-profit groups. Finally, Assistance Home Ownership Program (AHOP) allows building co-operative members to apply for federal loans at 8% interest and an additional \$600 forgivable loans.

In addition to the NHA programs, the federal and provincial levels of government provide rent-to-income subsidies for a portion of co-operative housing members. Since 1974, the federal government has begun implementing a new land lease arrangement which makes co-operative housing projects eligible for lease write-downs on federally owned land. Another subsidy mechanism applicable to non-profit and co-operative housing is the internal surcharge. The aim is to allow higher income tenants to remain in non-profit housing projects even after their incomes are too high. These tenants will be surcharged above the economic rents, and these 'profits' are used to reduce the costs payable by other tenants.

The Ontario Provincial government offers Rent Reduction Grants of up to 10% of the project capital value. The grant is eligible to the third sector if 25% of the project housing units are reserved for rent supplement households. Since federal regulations require third sector housing rents to be below private market rents, the grants are intended to reduce rents to the acceptable level. But they are, in general, insufficient because they reduce monthly rents by \$20 to \$35, depending on the project size. [Canadian Council on Social Development. A Review of Canadian Social Housing Policy. Ottawa: CCSD, 1977, p.120]

Though the Ontario government has supported third sector housing (see Report of the Advisory Task Force on Housing Policy. Ottawa: Queen's Printer for Ontario, 1973), it has not provided a clear framework for setting housing targets, nor has it made available sufficient resources to permit the third sector groups to implement their projects. The province has yet to develop a resource program for third sector housing.

The Metropolitan government has not shown any commitment to third sector housing. The Metro Chairman, in fact, called for a serious reconsideration of Metro role in housing:

In fact, the question arises as to whether, as municipalities, we should be in the construction business at all, because as long as we continue to build, we will be redistributing income through housing subsidies and I suggest that is the function of other levels of government. [City of Toronto Housing Department. No Vacancy. 1979, p.22]

The position of the Metropolitan government on housing is, therefore, to make effective use of existing housing and to encourage the private sector to build additional family housing units, particularly rental units, that are needed.

3. NON-PROFIT CO-OPERATIVE HOUSING ORGANIZATIONS

The co-operative organizations that will be discussed belong to the continuing type, as described earlier. In contrast to the non-profit sponsor organizations, such as church or other charitable groups, which can continue to develop federally funded non-profit housing projects, the co-operatives are not permitted to do so by government stipulations. Moreover, co-operative housing organizations are required to have residents for at least 50% of the housing units before a mortgage commitment can be issued by the federal government agency. Thus, in essence, continuing co-operative housing is a 'one shot' attempt and whatever expertise and skills co-operative members may have acquired cannot be used to develop other co-operatives.

Though non-profit co-operative housing organizations plan and develop their projects through all phases, they depend entirely on federal start-up funds and mortgage loans. Many observers have been critical of the nature of this relationship. (1) Central Mortgage and Housing Corporation (CMHC), the federal government agency administering the NHA programs, expects rents in co-operative housing to be affordable to low income families. But it ignores the benefits of stable rents and low occupancy charges co-operatives provide. (2) CMHC high housing standards which push up construction and material costs often become one of the chief obstacles for co-operative organizations to develop projects acceptable to CMHC within the mortgage constraints. (3) Delays of construction mortgage from CMHC pose serious problems for paying services in time. (4) In formulating the project financial package, co-operative members are expected to spend a large proportion of their income on rent

and price of land. [Christopher Haire. In Want of a Policy. Ottawa: Canadian Council on Social Development, 1975. pp.40-41.]

A similar conclusion was reached by the community housing division of CMHC:

Unless CMHC makes efforts to make the programs more economically viable and the process less arbitrary, capable people will continue to be lost to the [third sector] movement and new groups will continually start from the very beginning. [Louis Clarke. Twelve Community Housing Groups Profiles. Ottawa: CMHC, 1975. p.2]

Policy and resource constraints on the development of co-operative housing also seriously affect the organization structure, and therefore, the capability of housing co-operatives. Empirical research shows that less than 50% of co-operative groups had any support staff (see C.Haire. op.cit.), and for those groups which had support staff, it was unusual for more than two people to be employed on each project. Furthermore, staff that worked in co-operative groups were paid out of other government grant programs, such as Local Initiative Program (LIP), Company of Young Canadians (CYC), etcetera.

The problems most encountered by co-operative groups focused on three areas. First, planning and financing phase; second, land and building acquisition; and third, organization maintenance. All of these problems were directly related to the lack of staff expertise, the lack of front-end development capital, and most important, the lack of available housing stock in central areas in the cities. Furthermore, these problems were and still are aggravated by the large amount of funds required for specialist services.

Average start-up grants requested were about \$7,000 (1973-75), average grants of \$5,500 were given out to these groups. The majority

of co-operative groups found it impossible to develop acceptable proposals in an inflated housing market. Though federal loans for co-operative and non-profit housing groups had increased from some \$102 million to \$323 million in the period from 1973 to 1976, a high percentage of the loans was targetted for senior citizen projects. [CMHC Annual Report Ottawa: CMHC, 1978. pp. 74-75.] For example, Haire found that 70% of the funds committed in 1974 were for elderly housing. [C. Haire. op.cit., p. 3.]

The private non-profit and co-operative housing reached a record high of 3,000 units in 1973 in Toronto, but by 1978 it dropped to 550 units (separate data for each of these groups are not available). While, during the same period, the City non-profit organization increased its output from 850 units to 1,000 units. The following table illustrates this change between the private non-profit and co-operative housing on the one hand and the City non-profit rental on the other.

Third Sector Housing 1973 to 1978
in the City of Toronto

	Private Non-profit & Co-operatives	City Non-profit
1973	3,000 units*	-
1974	2,000 *	850
1975	600	200
1976	1,400	850
1977	950	100
1978	550	1,000
	<hr/> 8,500	<hr/> 3,000

Source: City of Toronto City Housing Reports 1976-1979.

* over 50% of these units were built for senior citizens

4. CITY NON-PROFIT RENTAL HOUSING

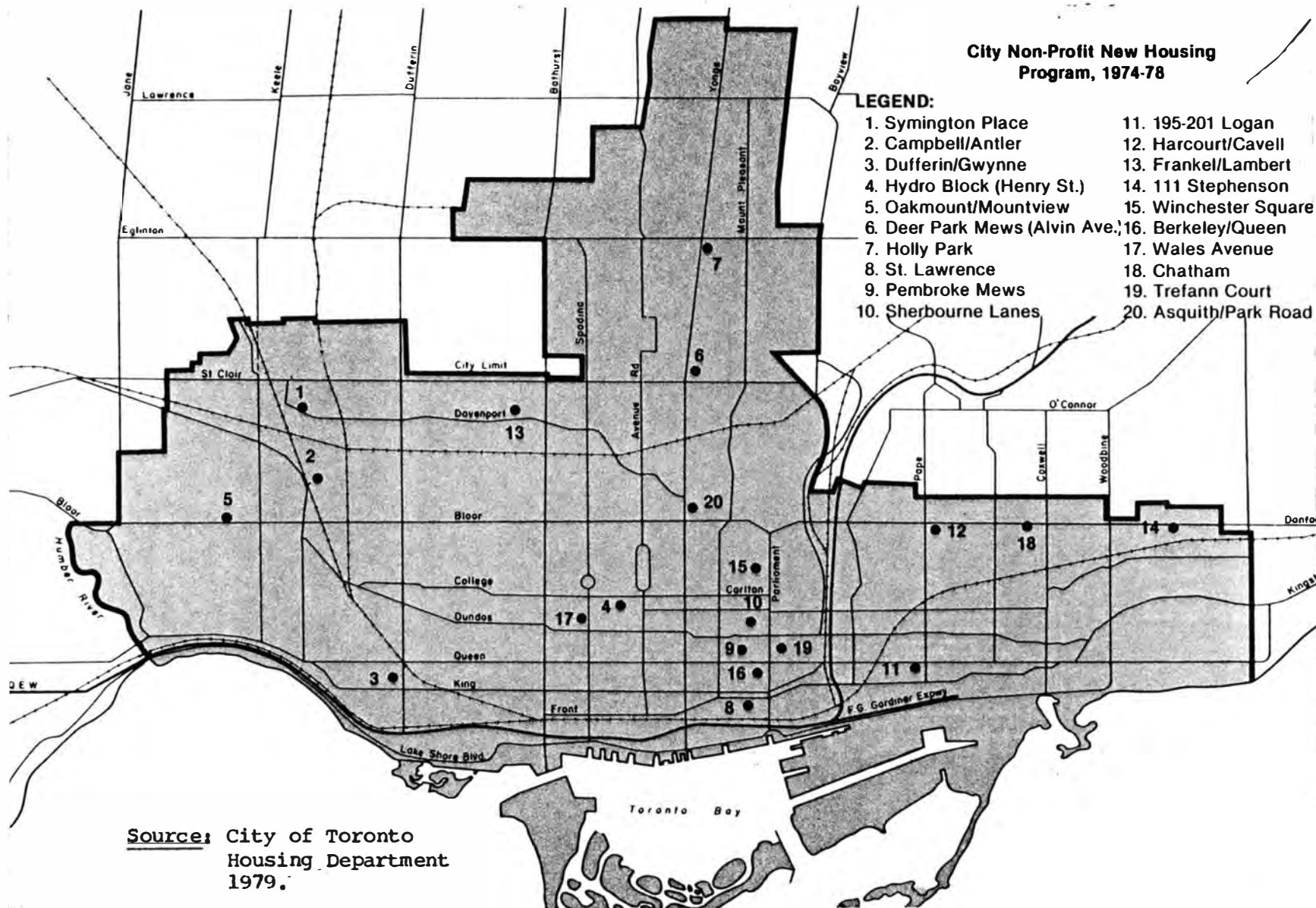
The City set up a non-profit housing corporation in 1974 to buy and renovate existing housing in addition to building new housing for moderate and low income families. In its first two years, the corporation concentrated on acquiring and rehabilitating existing units. At the end of 1975, it had about 1,300 units under management. About 1,100 units were for moderate and low income families (20% of them were mother-led families receiving benefits allowances). The remaining 200 units houses single people, mostly in the Cabbagetown area of Toronto. By the end of 1977, just over 1,400 units had been acquired by the City at a total cost of \$32.7 million. The average price was \$38,000 plus an average renovation cost of \$6,500. [City of Toronto Housing Department. On Target. 1978, p.21]

Market and city non-profit rents for 1976 are compared below:

	Private Market Rents	City non-profit Rents
Rooms	-	\$70-90
Bachelor	\$211	167
1 bedroom	235-243	183-190
2 bedroom	261-302	193-215
3 bedroom	311-373	217-246

Source: City of Toronto Housing Department
Housing Policy Review 1976. p. 147.

Comparing the upper range of the two types of rents, the City non-profit rents constituted substantial savings--representing some 78%, 72%, and 66% of the market rents for the 1 bedroom, 2 bedroom, and 3 bedroom respectively. Of the units approved for rent supplement in 1976, about half of the approved tenants were working class families. To date, rent supplement has



not been used to subsidize rooming house tenants.

The City corporation shifted its emphasis away from rehabilitation to new development by 1976, mainly for two primary reasons. First, the costs of rehabilitation, in order to meet the federal housing standards, were extremely high. Second, it was difficult to find existing housing stock at reasonable price in inner city areas. As the emphasis was shifted to new development, acquisition of existing housing fell drastically from some 330 units in 1976 to 70 units in 1977. In 1976, some 350 units had been built by the City at a cost of \$11.8 million. From 1974-78, the City built about 1,110 units at a capital cost of \$35 million. [City of Toronto Housing Department. On Target. 1978, p. 19]

The City landbanking program has been a crucial instrument for the corporation's attempts to assemble government and non-government owned land for building non-profit housing and leasing land to co-operative groups to develop their own projects. During 1973-77, 75 acres intended for 6,000 planned housing units, had been acquired at a total cost of \$33.5 million. However, the federal government terminated the landbanking program in 1979 and this implies that the City's own program will slow down as soon as sites already assembled are exhausted.

Critical to the City corporation has been cutback in federal government loans and commitments during the period from 1976 to 1978. Also non-profit co-operative housing has been equally affected. The following table shows the reduction of federal loans in those three years in relation to non-profit co-operative housing, non-profit housing, and land assembly programs.

CMHC
Commitments for Loans
and Investments

	Co-operatives	Non-profit Corporations	Land Assembly Loans
1976	\$40.3	\$288	\$64.2
1977	\$62.8	\$157.4	\$33
1978	\$36.9	\$120	\$31

\$ in millions

Source: CMHC Annual Report 1979.

The data clearly shows more than 50% cutback of federal funding (from 1976 to 1978) for the two items "non-profit corporations" and "land assembly loans" adversely affected the City corporation's delivery capability. As described earlier, in the period from 1976 to 1977, the City corporation's acquisition program dropped from 332 to 70 units; new housing program from 355 to 10 units; and Land Banking program from 1,145 to 42 planned units.

In addition to the financial and funding constraints on the City's programs, officials see three main problems with the operation of the City program in general. First, the requirements for interim funding do not match with the payment schedules of CHMC. Second, because of program stipulations, there has been pressure exerted on the corporation to increase the proportion of rent supplement tenants. Finally, keeping track of the vast amount of information needed by federal and provincial programs has significantly increased the amount of workload.

Although there are tenants from all income levels, there is a large proportion of tenants from the lower income levels. To integrate projects

into local neighborhoods, there is a policy of giving priority to local residents in filling half of the housing units. The City corporation is strongly committed to the idea of integrated housing, primarily made available to below medium income tenants. A minimum of 25% of all units will be available to rent supplement tenants.

The reasons for the effectiveness of the City corporation are not difficult to understand. The corporation can draw on the technical skills and other resources of various city departments. It has no operating budget problems since the budget is being absorbed by the taxpayers. The relationship between elected representatives and city officials, all of whom have the responsibility to carry out the City's housing mandate, helps to ensure an efficient process for the implementation of the City's policy.

5. THE DELIVERY SYSTEM OF NON-PROFIT RENTAL & NON-PROFIT CO-OPERATIVE HOUSING

Except for the City corporation, most non-profit organizations are an independent effort, with few of them having built more than one project. In the case of non-profit co-operatives, all of them are restricted to building one co-operative because 'mother co-operatives' are not allowed by the program stipulations. In this way, while private sponsor non-profit rental corporations may continue to expand their skill and expertise in housing development, the non-profit co-operatives cannot. In contrast to these organizations, the City corporation has many advantages such as professionally trained personnel, 'in-house' expertise, resources, etcetera. Because of the difference in their organizational structure, the scale and scope of development these organizations undertake are significantly different.

For example, the City corporation acquires and renovates existing housing, develops new housing projects, and assembles land for planned housing development, whereas, co-operatives concentrate on rehabilitation.

Moreover, federal funding priorities strongly indicate that among the third sector groups, the non-profit rental corporations are more preferable to the non-profit co-operatives. Funding for the first group is usually three times of that for the second group. For example, in 1978, funding for non-profit corporations constituted 10% of CMHC total budget, and funding for co-operatives represented 3%. [CMHC Annual Report 1979, pp. 74-75]

A workshop, sponsored by the Canadian Council on Social Development in December 1973, discussed problems associated with the third sector delivery capability. It identified the major obstacles to growth were found in prevalent public attitudes which focused on individually owned private property as the goal around which housing should be developed, in the way that governments over the past 25 years had structured incentives to promote private market housing and provincial public housing. [Christopher Haire. In Want of a Policy. Ottawa:CCSD, 1975, p. XI]

The delivery system of the third sector(City non-profit, private non-profit, and co-operative housing) depends on access to a stable source of mortgage funds that will enable it to meet its growing involvement in moderate and low income housing. This is particularly critical now, in view of recent cutback on federal funding. Although both the private non-profit housing groups and co-operatives are dependent on the successful search for front-end development capital and long-term mortgage funds, the co-operatives are more vulnerable to these problems because they do not have

an organizational structure to sustain them in the process of searching for capital. For example, a private non-profit group sponsored by a charitable organization usually has some funds to sustain it until the front-end development capital is available.

Under the category of non-profit and co-operative third sector housing, evidence presented in this chapter indicates that co-operatives have the weakest capability in the delivery system, that the City corporation has the strongest, and that private non-profit sponsor housing groups are in the middle range.

6. SUMMARY

The summary reiterates the major points made in the Background study and also in light of a better understanding of third sector housing organizations raises some questions that the thesis will illuminate.

Prior to 1973, the boundaries between the public and third sectors were defined. Within the third sector, non-profit housing groups sponsored by charitable organizations built housing for the elderly. These groups were usually 'outside' based. Also within the third sector, co-operatives consisted of 'building' and 'continuing' types.

After the 1973 NHA Amendments, the boundaries became diffused. The public sector, such as the City corporation, has taken up the role of non-profit housing organizations. Private non-profit groups, predominantly 'outside' based groups before, now formed organizations within local communities. Co-operative groups, since 1973, have become non-profit, 'continuing', and community based organizations.

Funding priorities, program stipulations, and federal and provincial policies shape and define the technical delivery capability of the different

non-profit groups which, in turn, affect the production of the different types of housing in inner-city neighborhoods--the non-profit rental housing and the non-profit co-operative housing.

In the City of Toronto, the City non-profit housing increased at a very fast rate after 1974 when the City corporation began to engage itself in three aspects of production: renovation, building, and land assembly. Both private non-profit housing and co-operative housing began to shrink in production volume, especially after 1976.

Because of the various organizational, funding, and policy constraints, non-profit co-operative organizations have the least capability in producing co-operative housing. In contrast, the organizational structure, funding priorities, and policy instruments enhance the City non-profit rental housing. The City corporation has the most efficient delivery system. Private non-profit housing groups, especially those sponsored by 'outside' organizations occupy the middle range in terms of the delivery system.

The thesis focuses on the non-profit co-operative organizations and the City non-profit housing corporation. In light of these findings, several questions need to be explored in conjunction to the central questions outlined in the Introduction. The rest of the thesis, on the basis of examination and analysis of the two case studies, will illuminate these questions and other issues that surface in the process of the study.

1. In what manner and to what extent does the diversity of the neighborhoods' socio-economic setting affect the delivery capability of the two organizations?

2. Does an institutional based organization affect the decision making and planning processes differently than would a community based organization? What are the factors involved that can account for the difference, if it exists?

3. In what manner the size and types of project affect the the delivery capability of the two organizations? Which of the projects developed by the two organizations is more responsive to residents' needs?

4. How do the organizations structure and develop the planning framework in which the residents can share control over the development?

5. To what extent does each of the organization adapt its goals to the demands of the interest groups with which it is negotiating?

6. In terms of either non-profit co-operative housing or non-profit rental housing, how do the residents participate in the decision making and control of the housing projects? Which type of housing is more instrumental in giving the residents more satisfaction in managing their own environment?

7. In resolving neighborhood interests, is the delivery capability or the institutional base of organizations sufficient?

CHAPTER TWO: DACHI - CASE STUDY I

1. INTRODUCTION

In a community just one mile east of downtown Toronto, 33 houses consisting of some 60 units ranging from single rooms to five bedroom units are now owned by low and moderate income families who are members of the Don Vale Co-operative Housing Incorporation (DACHI). This project came to fruition despite strenuous opposition from within the community--groups that wanted to keep out the moderate and low income renters. DACHI project was given incentives provided by the 1973 amendments to the National Housing Act (NHA) which provided start-up funds and federal mortgage loan for co-operatives and non-profit housing. A change in the NHA reflected the general discontent with the past government subsidized public housing.

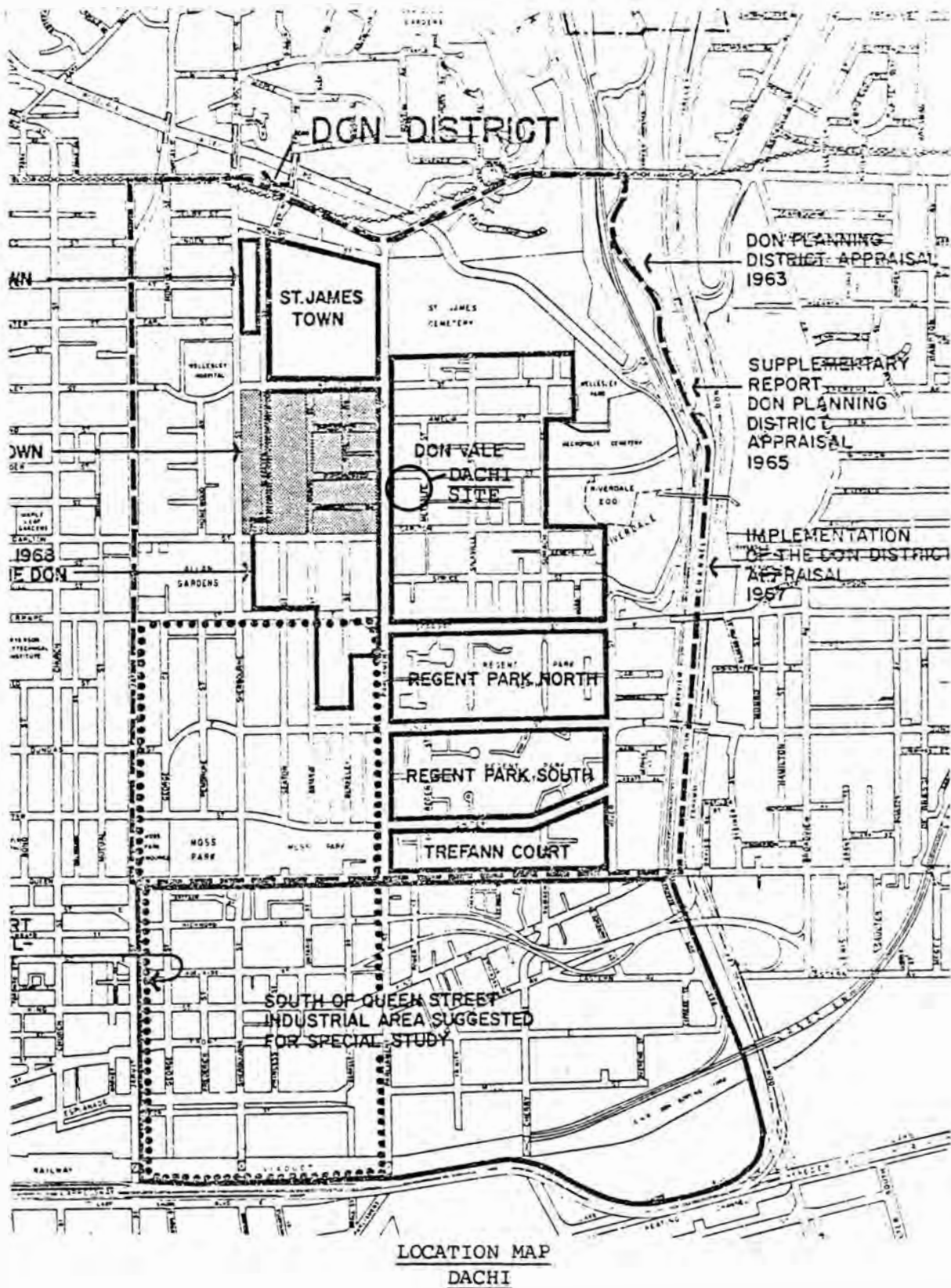
DACHI was one of the more ambitious co-operative projects; others are usually involved with renovation of one or two units. The controversy surrounding DACHI gave insights into the difficulties and the political obstacles that co-operatives have to overcome. Other co-operatives had less resources and support that DACHI had enjoyed. Despite that, DACHI was not successful in implementing the whole project; thirty six new in-fill

three-bedroom units that would have been built were stopped by the political forces at the provincial cabinet level.

The critical issues in the DACHI case revolved around class conflict among community groups; and among politicians at the city, provincial levels of government. The DACHI proposal polarized these interest groups into opposing camps, and the processes involved took on a magnified dimension, and , in effect, became a political issue. The evolution of the NHA concerning co-operatives and non-profit housing has been discussed in the previous chapter. In 1973, when DACHI first started, the NHA provided a start-up grant up to \$10,000 maximum, a government loan equal to the 100% of the appraised value of the project, and a grant equal to 10% of the appraised value. Even after the law's passage, the central agency CMHC administering the NHA was reluctant in helping the co-operative and non-profit housing groups. This relationship between CMHC and co-operative groups, as evidenced in the DACHI case, became a source of concern especially in areas of funding, and the manner in which projects were appraised.

2. OVERVIEW

The DACHI's project is located in Cabbagetown or Don Vale as the planners call it. The neighborhood is bordered by the Don River and parklands to the east; the Regent Park Public Housing projects of the early 1960s to the south; Parliament Street, a busy commercial street to the south; and the St. James Cemetery to the north. Cabbagetown contains some 1,800 houses most of which were built between 1870 and 1900. The majority of the houses are quite small and were constructed for the working class immigrants who arrived in the 1830s.



Source: Don District Guide
Plan. 1971

Source: Don District
Guide Plan, 1971

In the 1890s the Toronto Hospital with its medical schools and physicians' offices dominated this area and provided the focus of a growing institutional community. During the time of Depression, immigrants from Eastern Europe and the Mediterranean filled the residential vacuum created by the mass exodus of the richer immigrants of the earlier period. The second generation families of the original British immigrants remained the majority of the population.

The population has been decreasing from 8,700 (1961) to 7,600 (1971) and to 6,500 (1976). The decrease is significant because it signifies a critical change in the demographics of the neighborhood--the smaller and richer families who began to settle in that community in the early 1970s. In 1971, 72% of the population were family persons living in private households, but in 1976, it was 64%. The majority of the population were dependent on inexpensive accommodation largely on a rental rather than ownership basis. For example, in 1971, 60% of the Cabbagetown population were renters as compared to the City's 18%. In 1976, it was 52% as against the City's 15%. [Population, Household and Family Characteristics by Census Tracts. Census Metropolitan Area of Toronto, 1961, 1971, and 1976]

Many of the people who live in relatively low-cost houses in the central parts of the cities, like Toronto, have long had a stable and secure relationship with their landlords. For example, in the early 1970s, this situation continued in some parts of Cabbagetown in the Wellesley Cottages off Wellesley Street built in the 1850s by an owner who intended to rent them for income. [James Lorimer. The Real World of City Politics. James Lewis & Samuel, Toronto, 1970, p.80.]

However, instability in the real estate market created by speculation and by public projects and urban renewal development have put an end to this informal arrangement between the landlord and long-term tenants. [J.Lorimer. Op. cit., pp.80-81]

From 1961 to 1971, the average family income increased by 200% in Cabbagetown, but it was still much below that of the metropolitan level. For example, in 1961 it was about \$4,000 in Cabbagetown, as compared with \$5,800 in Metro; and in 1971 it was \$8,300 (Cabbagetown) as against \$11,850 in Metro.

During the same period, 50% of the Cabbagetown population earned less than \$3,000 per year, while 29% of the city population had similar income. But in 1971, only 24% of the Cabbagetown population had similar income as compared with the City's 26%. This change implies either that the population in Cabbagetown, in general, earned a higher income in that period or that some higher income families had already moved into the area. [Census Income Distributions by Census Tracts, 1961 and 1971]

Some 80% of the population are blue collar workers engaged in the production and manufacturing trades. This figure remained constant from 1961 to 1971, while in the same period, the City's blue collar workers increased from 17% to 20%. But after the early 1970s, Cabbagetown witnessed the gradual exodus of a great number of blue collar workers and an influx of the richer middle class professionals.

Urban Renewal

The 1969 urban renewal scheme--a rehabilitation rather than an expropriation type--made Cabbagetown stand out as one of the few stable old neighborhoods for the next few decades. The scheme promoted the preservation

of the community. Though the scheme was not implemented because of federal cut-back on urban renewal funds, the area residents saw the net result not as a victory for the area or as the development of political power for the neighborhood. Rather it appeared to them to be at best stalemate or "simply a delay of the day of reckoning".[Lorimer. The Working People. p. 104]

The reasons for that seemed to reflect the impact of middle class townhouse redevelopment and rehabilitation was less disrupting than public housing or private highrise. But for the working class people in the area the end result is not so different--persistent and gradual displacement until the real estate market is stabilized. The coming of the middle-class families to the area exerted pressures which develop a kind of genteel blockbusting not the terrorism used by developers.

After the urban renewal designation was lifted, housing prices spiralled. Rooming houses were shut down and their tenants evicted as owners found more and more people willing to pay higher and higher prices to turn them into single-family townhouses. Real estate agents, involved with conversion in Cabbagetown, stressed that the houses were loaded with potential for townhouse concersion or that they were "rehabilitation special".

In a comparatively short period of time, the whitpainting process had turned Cabbagetown the sought-after real estate market in Toronto. One house (unrenovated) in 1969 would cost \$29,000-\$30,000, but in 1975 after some \$30,000-35,000 renovation, it would fetch some \$120,000. [Interview with R.Shioni, a Cabbagetown resident. January 7, 1980]

3. DACHI: EVOLUTION & STRUCTURE

In 1972, seven neighborhood groups in the Don Area formed the Federation of Don Area Residents' Associations (FODARA). The Associations set up a housing committee to study the housing problems in the community. The report, produced by the committee, found that there was inadequate housing for the working class families in the area; that many absentee landlords neglected their property; and that there was a lack of legislation dealing with the housing situation. The housing committee, having fulfilled its function, disbanded.

Later in the same year, the three levels of government began to introduce changes in the housing legislature. The National Housing Act Amendments were being considered by the federal government; the Ontario Province set up its own housing task force; and the City had a housing work group formulating housing policies.

FODARA, in anticipation of the new legislature, decided to seek out interested residents to form a separate housing corporation. By June 1973, the FODARA community organizer had formed a group interested in producing non-profit housing in the Don Area. The group consisted of the community organizer, a planner, a lawyer, and a 'scientific' consultant. In July, the group established a board of directors--ten people who lived and worked in Cabbagetown--and named the organization as the Don Area Co-operative Homes Inc. (DACHI). By the end of July, the federal start-up grant of some \$9,000 arrived.

The membership in the co-operative is open to anyone who is in agreement with co-operative objectives. Members can withdraw from the co-op whenever they like. Co-operative members had to occupy 80% of the housing

units. The board of directors must meet, at least, once every three months. The ten directors elected annually by the co-operative members are responsible for the operation and management of the co-operative housing. A director can be ousted from the board without notice if that director misses three consecutive meetings.

Ownership & Management of DACHI

DACHI is a corporate entity set up under the Corporation Act of Ontario as a corporation without share capital. There are no shareholders, but members of the corporation have full control over its operations. Under the Corporation Act, member-tenants elect from among themselves a board of 10 directors. Each member-tenant is limited to one vote.

Federal program stipulations require a fund to be set aside for major repairs and replacements, specify a standard of maintenance, and allow the co-operative to be run only on a non-profit basis. An audit is required by law to prepare the co-operative accounts.

Although the terms of federal financing encourage co-operative to provide for low income tenants, people with higher income can live in the project (up to 25% of the units) by paying 10% surcharge. Member-tenants have no ownership or equity in their homes. If the co-operative does not continue, it is prohibited by its own letter patent from distributing the units to the member-tenants. The proceeds of their sale or the project itself must go to a charity.

The daily affairs of the co-op would be managed by officers and employees, elected or appointed by the board of directors and their salaries will be set by the board. The officers can be removed by the board. Existing by-laws prohibit directors from drawing fees from the co-operative.

4. DACHI'S PROPOSAL

In September 1973, DACHI decided to get a CMHC loan of \$40,000 to buy and renovate 10 houses scattered throughout Don Area, and prepared a document describing the area, the project planned, and the renovations required on these 10 houses. But it discovered that a large Don Vale site consisting of 36 houses and land suitable for in-fill housing were changing hands. The whole assembly is known as "the Cowley Houses". The new owners had planned to renovate them and build the in-fill.

Through the local residents' association, the Don Vale Association of Homeowners and Residents (DVAHAR), DACHI approached the new owners. The arrangement with the realtor was that the option had to be signed on December 6, 1973. The price for the property was \$1.6 million which included the \$1.375 million the owners had paid for it, the \$150,000 profit, and the \$750,000 renovating contract. DACHI was to pick up the option by February 5, 1974 with a payment of \$5,000, and to close the deal by paying the balance by March 5, 1974.

December 5, 1973 Meeting

The day before signing the option, DACHI presented the proposal before a general meeting of DVAHAR. The results of the meeting were that DACHI's plans required further study, that a committee was to be set up to look into them, and that the report should be presented to the next general meeting on January 15, 1973. A 7-member committee was formed consisting of those who reacted favorably to it, those who reacted unfavorably to it, and those who were unsure. Its instructions were to study DACHI's proposal and other alternatives for the Cowley Houses.

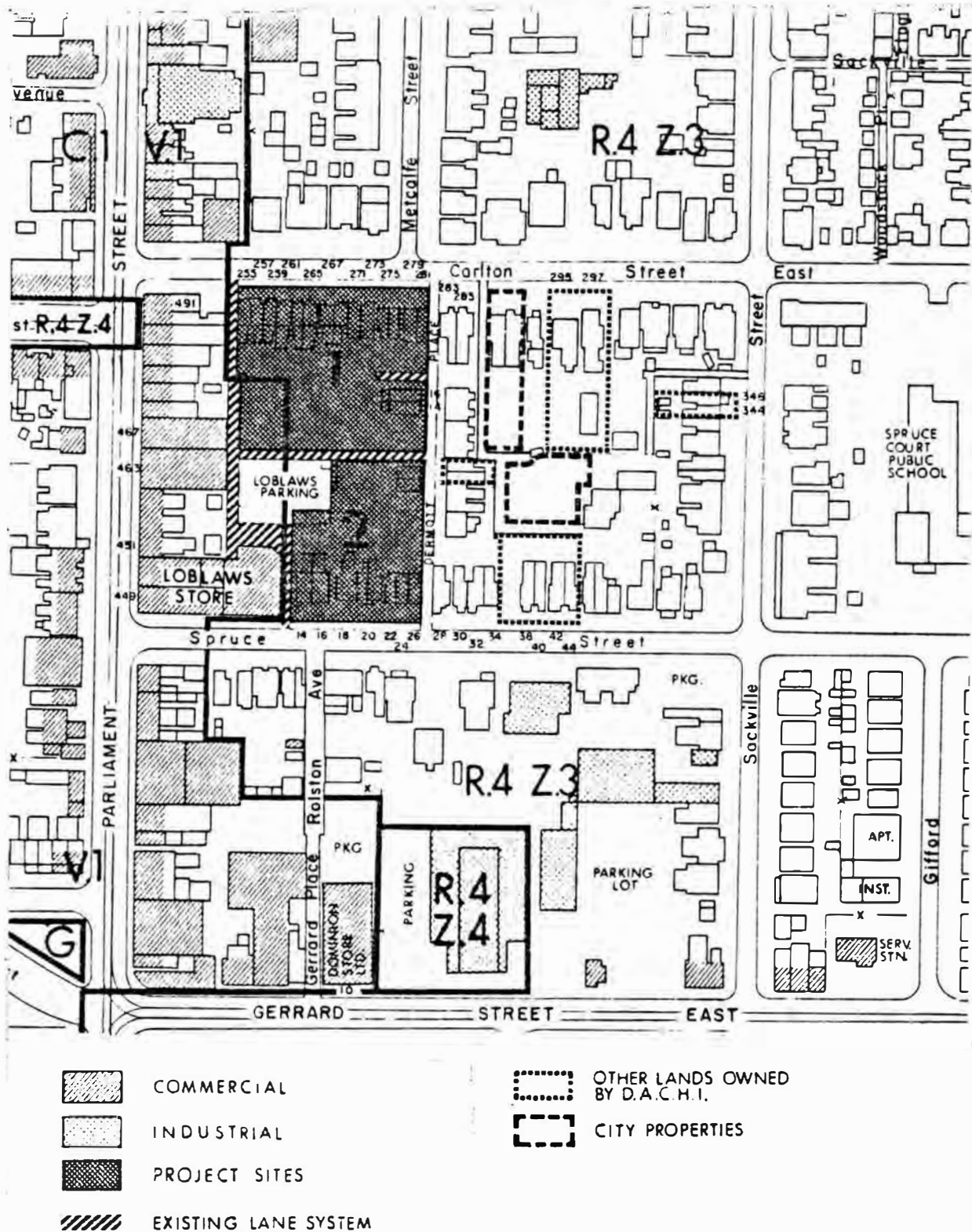
January 15, 1974 General Meeting

More than 450 people attended the meeting to discuss DACHI's non-profit housing co-operative for the area. Citizen participation had shaped the direction of urban renewal in their area and they were equally determined to use their opinions to decide the success or failure of DACHI's plan. The gap between the different views that the residents had of their community became crystallized at the meeting.

Basically DACHI's proposal included renovating 36 existing houses and constructing 36 in-fill townhouses within the block bounded by Carlton Street, Dermott Place, Spruce and Parliament Streets. The in-fill housing would be built on Dermott Place now used as open parking. The unit mix and the rents proposed for both the renovated and the in-fill housing consisted of the following:

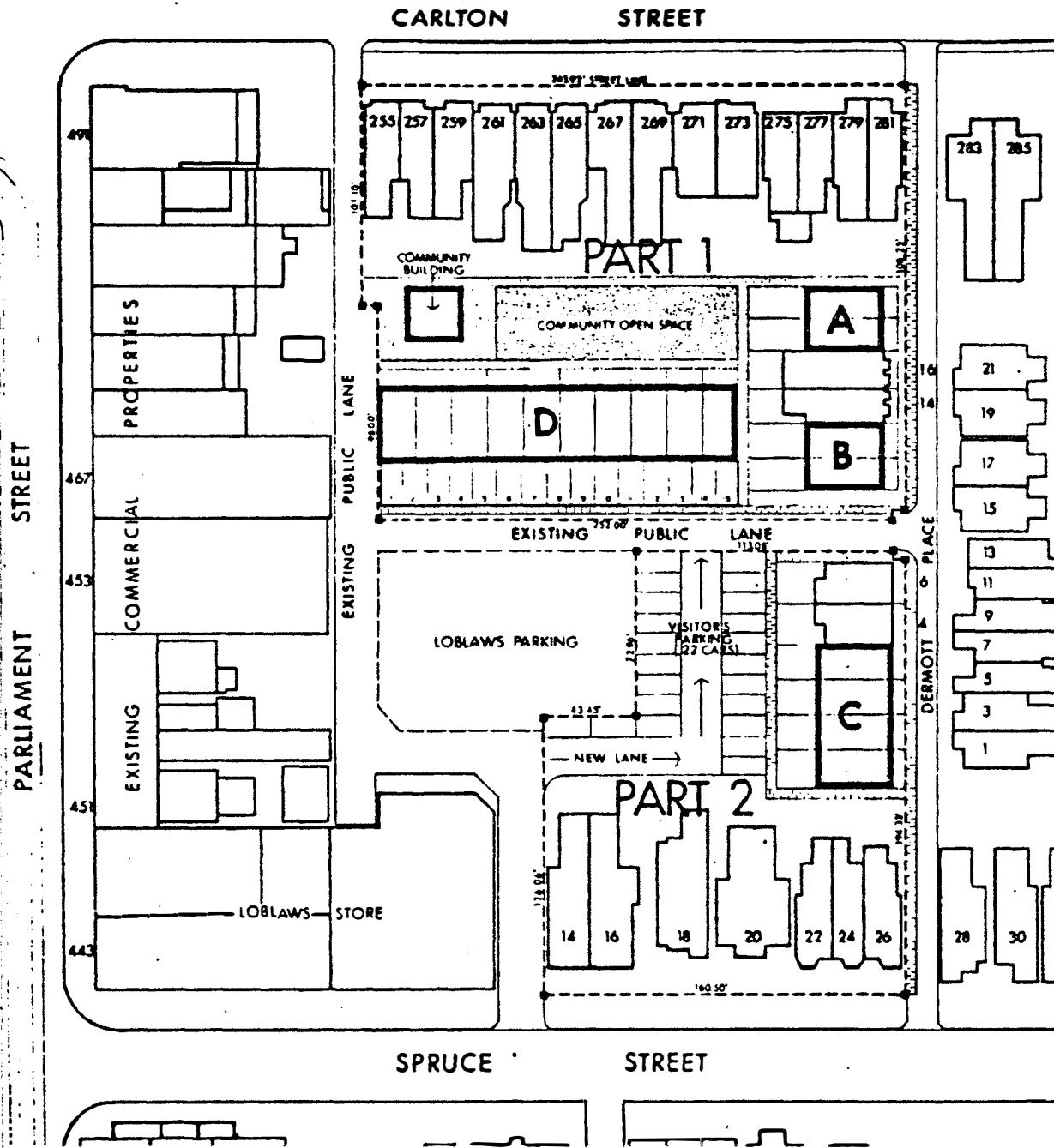
<u>Unit Mix</u>	<u>Rent/month</u>
56 rooms	\$99
18 mini 1-BR	\$130
11 1-BR	\$155
12 2-BR	\$180
9 3-BR	
9 4-BR	(\$225-250)
7 5-BR	
<hr/> 122 units	
36 3-BR	\$250
<hr/> 158 units (total)	

The annual income ranges to be served by DACHI proposal were between \$3,200 and \$4,300 for the rooms, and between \$8,800-\$11,700 for the new townhouses. These figures represented a rent/income ratio of 33-25%. The monthly income for DACHI would be those shown in the table above. The present residents of the Cowley Houses would be given priority for



DON AREA CO-OPERATIVE HOMES INC. PROJECT
A Low Rise Residential Development Proposal

Source: City of Toronto
 Planning Board, 1974.



DACHI
Site Plan Details

Source: City of Toronto
Planning Board, 1974.



DACHI PROJECT, on Carlton Street.



Renovated houses on Metcalfe Street.

membership in an attempt to cause as little dislocation as possible.

The total project would cost \$2.8 million, and DACHI was seeking funding from the federal government. The government would finance the entire project, and give a grant subsidy of \$2,500 per apartment and \$1,000 per self-contained room. The remainder of \$2.4 million would be loans (at 8% interest over 40 years). Tenants in the project would function collectively as their own landlord, but they would have no equity in the co-operative.

The proposal would provide housing for 414 persons and it represented some 176 persons per acre. The density is comparable with other low-rise high density developments in other parts of the city. If the density was reduced by 20%, the rents would rise 4%. The present zoning by-law would allow the in-fill. The total government mortgage of \$2.4 million, together with the grant subsidy and the residential rehabilitation grants made up a total project cost of \$2.8 million.

5. PRINCIPAL ARGUMENTS

DACHI presented the proposal at the general meeting on January 15, 1974. The Don Vale Property Owners Association (DVPOA) and the Don Vale Neighborhood Action Committee (DVNAC) strongly objected to the proposal mainly for the following seven reasons:

- (1) the project would bring "subsidized" housing into the area;
- (2) it would frustrate the middle-class renovators by "stuffing too many people into this neighborhood, it will turn into slum again"; [Dineen. The Trouble with Co-op. p.27]
- (3) DACHI plan could not provide housing for low-income people;
- (4) the project was a "socialist concept" to be imposed on the area; [Dineen. op.cit., p. 29]

- (5) the project was being railroaded through without prior community involvement;
- (6) the project would reduce the community needed open space; and
- (7) DACHI housing had no equity--the tenants would not upkeep it.

DACHI countered these arguments by explaining that (1) the proposal would have lower rents over a period of time than any private development. A bachelor unit renting for \$147 a month in a nearby highrise would rent for \$99 a month in the DACHI houses; (2) DACHI would be the only way to provide housing for families with moderate incomes in the Don Vale area; (3) CMHC controlled the quality of the rehabilitation and the construction, and therefore, the project could not turn into a slum; (4) the proposal wasn't railroaded through because DACHI had discussed with DVAHAR even before signing up for the option and DVAHAR had set up a committee to look into the project; and (5) Don Vale had large parkland to the east.

Support came from other various sources. The ward alderman supported the plan because Cabbagetown was a good area for family housing--close to schools, parks, and public transportation. The area school trustee indicated that DACHI would bring needed students back to the school. A community worker for a nearby resource center argued that DACHI represented the last opportunity for people to rent in the Cabbagetown area to provide a mix of people desirable for the community. A member of the DVAHAR's committee set up to look into the DACHI proposal commented that DACHI co-op would blend easily into the community and would be planned with the help of the residents.

DACHI's proposal was scheduled to go before the City Council Executive Committee the next day, and if the residents voted for it, then DACHI could have more support at the City Hall. If the majority voted against DACHI, it would be much more difficult to seek approval from the city and a loan from CMHC. Finally the meeting came to a close vote of 198 in favor of DACHI and 158 against.

6. INTEREST GROUPS

Evidence of friction over the Cabbagetown's future can be found as early as the 1960s when the urban renewal plan was being formulated. The urban renewal process precipitated conflicting interest between two main groups in the community: First, the stability-oriented faction and second, the redevelopment-oriented faction. [Lorimer: The Real World of City Politics. p.100]. Though both factions agreed that urban renewal should not use expropriation means to acquire land and houses, both differed on the means for stabilizing the area.

The stability-oriented faction, represented by the residents' association, DVHARA, wanted existing housing for the working class so that residents could stay. It rejected the assumption that total redevelopment for the area was inevitable, instead it proposed rehabilitation phased out gradually in a period of time.

The redevelopment faction accepted the assumption that the area would be torn down and built again, and that the private sector rather than the city should do the development. In this way, the present owners of the properties in the area would bid at the current market rate. This group was chiefly represented by the Don Vale Property Owners Association (DVPOA).

In Cabbagetown, the major group is the DVAHAR which has several common features shared by other major groups in other urban renewal areas. First, membership is open to all homeowners and residents; second, a president and an executive group keep in touch with what is happening at City Hall and meet together regularly; third, executive officers are elected annually at an open public meeting; fourth, executive group make their decisions by majority votes; and fifth, the president has no special authority.

However, the opposition groups such as the DVPOA have different characteristics. First, executives, one to four people, are self-appointed; second, they make association policy as they wish; third, members of these groups may turn out to be residents who have signed a petition earlier on supporting the basic position of the executive group; fourth, public meetings are rarely held; fifth, members are asked to endorse whatever the executives' views are at the time; sixth, dissenting members are generally thrown out; and seventh, the structure is run from the top down. [Lorimer: op.cit., pp. 62-63]

In 1973, re-kindled by the 'up-filtering' process and cauterized by the DACHI issue, the community division manifested itself in three groups each upholding values and goals about the future of Cabbagetown. The progressive group consisting of the members of the DVAHAR and DACHI articulated the needs of the moderate and low income families. This group wanted housing for the lower income families as a means to stabilize Cabbagetown. Within this group members of DACHI became the leading force. The progressives had the support from the two aldermen both of whom had fought hard for the low-income families evicted by urban renewal in another

part of the ward's political boundaries. Because of the aims of DACHI which were in line with the housing policies the city was setting up, the progressive faction had the support at the municipal level. The Federation of Don Area Residents Association--the mother organization of all coalition residents' groups--gave its support.

The moderate group consisted of some of the recent residents who could profit from the whitepainting process but remained in the area. This group was quite sympathetic towards keeping the existing low income families, yet it also realized that by stopping the whitepainting process, it might hurt the investment that members of this group owned. To this group, middle-class renters who desired to stay in Cabbagetown gave their support. However, because of the lack of commitment, this group had no organization, and their views could be swayed one way or the other depending on circumstances. Yet, the progressive group needed the support of this amorphous group.

The conservatives consisted of long-time homeowners and the new affluent middle-class professionals. Their investments, as they saw it, were at stake because of DACHI. Property owners living closest to the Cowley Houses were the most forceful advocates for keeping the low income families out. The members of this group, thus, held a set of values and goals opposite to those of the progressives. This group leaned towards the support of private market activities, and the extraordinary rate of market investment pouring into Cabbagetown was an indication of their shrewdness and profits. The displacement of the moderate and low income families, as a consequence of market investment symbolized "the neighborhood has pulled itself up by its bootstraps".[DVPOA letter dated Jan 12,1974]

The conservatives had two associations: DVPOA and DVNAC. The property owners' association, with its self-appointed president, represented some long-time homeowners whose assets were spiralling. DVNAC consisted of young professional newcomers who came to Cabbagetown to start their homes in a downtown environment, to renovate their houses, and to stay or to sell them a few years later at the inflationary rate the market could bear.

As much as the spokesmen of DVPOA used old long-winded rhetorics to proclaim the community for their own middle-class renovators, the spokesmen of DVNAC used sophisticated rational expertise and political strategies to proclaim the same thing for the same purpose. The conservatives had been supporters and campaigners for the Progressive Conservative party. Their riding's Provincial Member of Parliament became their strong advocate at the provincial level of government.

7. POLITICAL OPPOSITION & STRATEGIES

As the divisions became crystallized, opposing interest groups began to mobilize their constituency, each seeking to articulate its cause and to influence the decision-making mechanisms at the community, city, provincial, and federal levels. Between the two general meetings (December 5, 1973-January 15, 1974), the president of DVNAC who used to be a member of the DVHARA's committee looking into the DACHI's proposal took a series of actions to forstall the DACHI group. First, only a week after the first general meeting, in December, a night letter signed with some 50 names was sent to eight politicians at the city, provincial and federal levels, and the top officials of CMHC. In it, the main line

of argument was that the present owners of the Cowley Houses were starting to renovate the houses, when DACHI approached them and paid them a profit out of federal public funds. All politicians ignored the telegram except for the riding's Member of Parliament, who immediately responded. Second, unhappy with the general response, DVNAC sent another telegram, signed with some 30 names, to the federal Member of Parliament (Liberal Party) and accused DACHI proposed to pay the owners a profit of \$150,000--in excess of 100% after two months--with public federal funds in order to turn the properties into a co-operative project. [J.Dineen. op. cit., p.81]

What this implied was a deal between DACHI and the new owners--a deal from which both parties could benefit in some way at the expense of the general public. DVNAC, thus, attempted to get political support by sheer misrepresentation of the facts, and by playing on the fears of homeowners who wanted to protect the market value of their investments.

Third, once contact was made with the riding's Provincial Member of Parliament, DVNAC was given the campaign office for its use as the opposition headquarters. The politician asked her campaign manager to be the opposition's organizer. Fourth, by January 5, 1974, the campaign manager had formulated strategies for opposing DACHI. Within the next ten days, the opposition canvassed the entire neighborhood for support, and received some 500 names of those who would come to the general meeting on January, 15, 1974. Because of the MPP's position as the parliamentary assistant to Ontario's Housing Minister, she represented a strong and dangerous force. DACHI had the support of the ward aldermen with whom the MPP had conflicting views. Recognizing this, DACHI arranged to meet with the MPP in the hope that by clarifying DACHI's aims and explaining the details of

the DACHI proposal to her, she might change her mind. There was some validity in thinking along this line because the MPP was one of the members of the Provincial Advisory Task Force on Housing Policy which recommended government encouragement and support for non-profit and co-operative housing. A meeting was arranged one week before the general meeting, but the results were negative.

8. APPROVAL OF PROPOSAL

At the City Council Executive Committee meeting, the two opposition groups, DVNAC and DVPOA presented the same objections as those in the community's general meeting: lack of open space; over-crowded slums; sub-standard development; and DACHI as "a new menace that confronts us... to which we are utterly and absolutely opposed." [DVPOA's letter dated Jan. 12, 1974, appended in the Don Area Co-operative Home Inc. 1974, City of Toronto Planning Board].

They asked for another community meeting before the city made its decision. This request was significant for two reasons. First, the executive committee's approval, and consequently the council's approval could have been delayed to the point past the CMHC executive meeting scheduled on January 24. That CMHC meeting would help DACHI to decide whether or not to pick up the option. Second, the opposition groups could again mobilize their support and tried to vote out the proposal.

The Mayor, whom the MPP had spoken to just before the meeting, was not in favor of approving the recommendations of the City Planning Board before the actual recommendations were presented to the community

in a special meeting. DACHI pointed out that the last CHMC executive meeting before the option deadline (February 5), was scheduled for January 24. After heated arguments concerning the Major's suggestion, a new motion was drafted indicating city's support for DACHI to get CMHC funding.

Between the Executive Committee's meeting and the Council's meeting, DVNAC approached a pro-development alderman and asked him to be a spokesman for DVNAC and all those who opposed the co-operative project.

Council's Meeting

On January 23, 1974, the DACHI proposal was scheduled on the Council's agenda for debate between 9 p.m. to 11 p.m. The alderman questioned the procedure by which the Council was asked to approve a development that had never gone through the Planning Board or the Development Committee. He suggested the Council should be following the normal process for approving development proposals. Three other aldermen joined to question the proposal until Council's adjournment at 11 p.m.

The next morning, the alderman speaking for Dachi's opposition made a motion to send the proposal back to the Building Committee.

[Committee minutes date January 24, 1974] The implication would be that it would delay CMHC funding and outrun the option date. One other alderman made a motion that a financial study should be done before the Council would approve the proposal. Another alderman suggested the City should buy the land to provide housing for low-income families. The last motion seemed to be an alternative, but if it was approved, DACHI would lose the properties and the city would not necessarily end up buying the houses at all.

The Council voted on those three motions; to refer back to the Committee; to defer it for financial study; and to ask the city to buy the properties. All these three were defeated. The Council carried the Executive Committee's recommendations.

DVNAC complained that the Mayor had stood for election on the basis of neighborhood integrity and the ward's aldermen on neighborhood participation, and both had abandoned neighborhoods to the open attack of developers.

9. COMMUNITY INVOLVEMENT

After the CMHC loan of \$1.6 million to DACHI came in February, 1974, DACHI mobilized the community for input into the project. It organized block meetings to elect two residents from each block to form a working committee which was to keep the residents informed of the development of the project and to generate feedback from the residents.

Aside from a few tenants who were trying to put together a Cowley tenants' committee, however, the majority of the residents was still not involved. The block meetings were poorly attended. In March, 1974, the opposition group DVNAC submitted several names for election to the working committee. DACHI and DVAHAR finally formed a 20-member committee representing the different interest groups in the community. The working committee was constituted to work as an advisory body of DVAHAR and to act as a liaison between the neighborhood and the DACHI group.

Shortly after the committee was formed, DVNAC began to play a strong and dominating role in the committee. As a result of DVNAC's pervasive

influence, the working committee made a recommendation to the residents' association, DVHARA that the committee should have the mandate to make decisions on DVHARA's behalf. The recommendation was rejected and the committee resigned.

By May 1974, DACHI had no community groups to work with. Meeting between DACHI and DVNAC to discuss names and structure of future working committee proved useless. Ironically, the stalemate was resolved by indirect communication when a resident became a courier between the two interest groups. Finally, a seven-member working committee was formed. It began to meet with the residents, the Cowley tenants, and the local CMHC officials. Unlike the first working committee, the new one was committed to the setting up of the co-operative. Citizen participation began to work in Cabbagetown; more and more residents began to go to block meetings. The Cowley tenants' group became involved with the various aspects of the co-operative, such as tenant selection, management, and administration.

Working Committee Input

By September 1974, the working committee presented its report to DVHARA. The report had reservations about the architectural merits of the DACHI proposal. It questioned the in-fill housing; criticized the weakness of tenant organization and maintenance; and recommended the community should sit on the DACHI board of directors.

By mid-September 1974, DACHI, responding to the need to involve residents in the future management and administration of the co-operative, changed the make-up of the board. Two Cabbagetown residents and two Cowley

tenants were elected to the board to replace four incumbent directors. Support and input from these residents were critical at this stage because DACHI would turn the management and administration responsibilities over to the community. Residents showed a growing interest in the project and wanted to take part in future discussions. During the same period, the architects were setting up slide shows of the co-op for the residents and working with their suggestions.

The Cowley tenants' group formed an arbitration committee consisting of four Cowley residents and one board member to hear complaints and disputes among tenants and to make recommendations to the board about evictions of those who breached the rules set up by the Cowley tenants themselves. As rehabilitation began, other houses in the area were made available for tenant relocation. Since the renovation process was phased in different time span, the Cowley tenants would move out when the work crew began working on their units.

10. REZONING APPLICATION

To build the 'in-fill' townhouses, DACHI filed a rezoning application on June 1974. The city planning board had generally recommended DACHI's plans. In his report, the Commissioner of Planning shared the aims of DACHI:

In terms of the loss of a particularly vulnerable sector of accommodation, the DACHI project might be seen as an attempt to counter the decline in the stock of lower income housing in the area. [Report on Rezoning Application dated July 31, 1974, from Dennis Barker, Commissioner of Planning, to City Executive Committee. p. 3]

Three variances from the by-law were required. First, to reduce parking requirements from 100% to 50%; second, to waive certain setbacks; and third, to get permission to develop "house behind a house". [Barker. op. cit., p.4.] In the application, DACHI would give existing Cowley tenants first priority if they wished to live in the co-op.

The Housing Work Group--in charge of writing up the City's housing policies--indicated their unanimous support and asserted that:

the DACHI proposal was unique in touching upon so many different objectives of the City's housing policies, and that given the considerable difficulties experienced by most non-profit housing groups, the proposal represented one of the few feasible development brought forward by the third sector of the housing industry. [D. Barker. op.cit., pp.7-8]

Two members from the opposition property owners' association, DVPOA, presented their briefs. They objected to the re-zoning application for the following reasons:

- (1) that there was no prior consultation with the local community, and more than 1,000 signatures were submitted to the Executive Committee and Council rejecting the proposal;
- (2) that the DACHI proposal would reverse the favorable trend occurring in Cabbagetown--"premises that were once overcrowded flop houses are now pleasant one-family dwellings." [DVPOA letter dated August 2, 1974 to Executive Committee]
- (3) that the co-operative would become self-perpetuating and could resort to block busting; and
- (4) that the two aldermen supported the proposal because they saw "the resurrection of Don Vale by the despised middle-class [as] a depletion of their adherents and would seek to perpetuate their own private empire." [DVPOA letter. ibid.]

Perhaps, another letter from DVPOA to the City Clerk concerning DACHI clearly pinpointed their values. Two of their objections listed in it included the following: (1) they were against any form of co-operative housing "that does not finally result in homeownership or some form of

equity for the participants; and (2) that the present housing crisis represented "undertaking the impossible task of housing, at public expenses, a large part of the indigent population of the world." In the letter, it cited the example of Regent Park--the public housing to the south of Cabbagetown--which housed only 1% native Torontonians. The letter added that 60% of OHC (public housing built by the province) waiting list applicants have only six months residence in Canada. [DVPOA letter dated September 28, 1974 to City Clerk, City of Toronto.]

The general approach of DVNAC, the other opposition group, to the re-zoning application was based on seemingly technical rationality. The reasons for DVNAC's objections included:

- (1) that DACHI could not really meet the housing needs of Cabbagetown; and
- (2) that the validity of the DACHI proposal under Section 15.1 of the NHA was questioned--that the Section 15.1 provided funds only for renovation and rehabilitation purposes and not for construction.

DVNAC, then, proposed a number of alternatives for improvement, each of which would defeat the DACHI proposal. It recommended two large houses DACHI owned should be converted into senior citizens' housing by the province. It called for homeownership under the AHOP program (see Background), and it asked for a "historic area" designation for Cabbagetown. [DVNAC letter dated August 7, 1974]

All these three recommendations would have stopped the DACHI proposal, if implemented. First, taking away the two largest houses would seriously affect the economic feasibility of the proposal; second, the homeownership program (AHOP) was usually applicable to higher income families than the Cowley tenants, and besides, CMHC stipulations prohibited

freehold ownership housing; and third, the "historic area" designation would impose stringent design control over the conservation of the existing housing stock and would imply that the in-fill housing could not be built. The objections of the two opposition groups were unsubstantiated. DACHI's below market rate rents served the lower income groups. The NHA Section 15.1 did not forbid new construction. DACHI's aims to provide low income housing in inner-city areas reflected the direction of the City's new housing policies.

In October, 1974, the City approved the re-zoning application. Later in the week, with the opening of the first renovated house on Spruce Street, DACHI seemed to have succeeded. However, in June, 1975, the opposition appealed to the Ontario Municipal Board (OMB)--a three-member quasi-judicial, autonomous body with the powers to overrule local zoning ordinances--on three specific grounds. First, the in-fill housing was substandard; second, the adverse impact of the nearby commercial street on the project; and third, inadequate open space for the large number of people, particularly children that the project would generate.

In February, 1976, OMB upheld the City's re-zoning approval and asserted:

the proposal is not one that could be considered properly to be the ideal for suburban living, but [the board] recognizes the far reaching changes that are taking place in the City of Toronto's planning concept based upon its desire to create homes for needy and deserving persons...Nor can great exception be taken to the planning philosophy that seeks to rebuild in conformity with building pattern of the past in seeking to maintain stability in an older neighbourhood even though some more modern planning philosophy is abridged to do so. [Transcript of OMB Decision #R751216. February 18, 1976, p. 22. Underlining by author.]

A few months later, the opposition group--the Don Vale Property Owners Association (DVPOA)--filed a petition with the Committee of Council at the Provincial level. "Through a polished lawyer and with the help of the riding's MPP", the Cabinet issued an Order-in-Council that prohibited DACHI to build the in-fill housing as planned. [Interview with a DACHI ex-president on January 30, 1980; an Order-in-Council #O.C. 2224/76, dated August 3, 1976.] The Cabinet ruling was not based on planning considerations nor legal technicalities, but rather on political interests.

The MPP was instrumental in the whole process. By stopping DACHI's in-fill housing, she symbolized the triumph of the Progressive Conservative party in protecting the interests of her political supporters. If the in-fill was allowed, then two consequences would be produced that were detrimental to her support in Cabbagetown. First, the in-fill housing would increase political opposition to her base in Cabbagetown; and second, it would signify her unsuccessful intervention in the political arena, thereby eroding much of her political influence and power.

The appeal of the OMB decision did not represent a win-or-lose situation. Rather it was perceived as a draw: DACHI was able to serve the low income families but fewer of them; the opposition, though unable to exclude the moderate and low income families from Cabbagetown, was successful in getting the necessary political support from its elected representative. The political forces were able to wield their influence when the issue, trapped in the technicalities of the planning process, was brought home to their own arena.

CHAPTER THREE: DACHI-ANALYSIS

The study of DACHI has surfaced several issues critical to the understanding of non-profit co-operative organization in inner-city neighborhoods undergoing gentrification. This chapter analyzes the various aspects of the case in terms of the central questions posed in the Introduction. The thematic issues will be discussed in Chapter Six.

The DACHI case must be viewed as a countervailing force within the framework of a gentrified neighborhood, the phenomenon of which is the displacement of the working class renters. Within this setting the four central questions will be addressed: (1) To what extent was DACHI able to resolve some of the social concerns and the housing needs in Cabbagetown? (2) Was DACHI as a community based non-profit co-operative housing organization conducive to the social integration of Cabbagetown? (3) To what extent did the planning process framework in which DACHI operated allow residents to control their environment or to achieve the goals of the community? and finally (4) As a mechanism for providing affordable housing in Cabbagetown, how relevant is it to use non-profit co-operative housing organizations as instruments to preserve existing neighborhoods undergoing market reinvestments?

RESOLUTION OF COMMUNITY CONCERNS & HOUSING NEEDS

The extent to which DACHI could or could not resolve these issues in question depends on the following four aspects of the case. First, the antecedent conditions such as population change, the history of urban renewal, etc, were responsible for the lack of affordable housing and the displacement of low-income renters. Second, the organization structure of DACHI relates very much to the questions of affordability and the vertical and horizontal equity of the housing project. Third, the implementation process was significantly affected by the scale and the nature of the proposal. Fourth, the resolution of these issues depends on the perspective from which the analysis is based, in particular, whether the substantive issues underlying the setting in Cabbagetown were approached, corrected, or partially resolved.

Antecedent Conditions:

Before DACHI was formed, both the social concerns and the housing needs were intertwined and embedded in the phenomenon of working class displacement as a result of gentrification. Of great significance, are the effects of urban renewal which set a series of antecedent conditions into play, and thereby creating the social and housing problems in question. The process of urban renewal, described in the case study, was responsible for the following conditions. First, it split the community into two distinct groups--the 'stability' and the 'pro-development'--which subsequently gave rise to the class conflict between the working class and the middle class. Second, the process itself radicalized the working class renters. Finally, the removal of the urban renewal 'designation' started a chain of market reinvestment leading to intensive speculation.

Evidence from the case study also indicates both the decrease of population and the composition of the ownership/rental mix changed dramatically. The rate of in-migration of the renovators and the displacement of the working class created the social/economic milieu which had been catalytic for corrective measures. In this context, DACHI was essentially reactive to what was happening in Cabbagetown. The antecedent conditions gave rise to inflationary market reinvestment and displacement of the working class. But they created also a politicized and a sympathetic constituency which gave DACHI its legitimacy.

Affordability, Equity, & Organizational Efficiency:

If DACHI's goal was primarily to provide affordable housing, then it could have been more easily realized in other parts of the city where land was much less expensive. Inextricably, DACHI's goal to provide housing in Cabbagetown indicated that its concerns were not just to provide housing in the most economically nor the most efficient manner. But rather the concerns were very much framed within the contexts of displacement and the mechanisms to check or rectify those concerns.

Thus, without considering this contextual framework, the analysis of DACHI as a non-profit housing co-operative in terms of affordability, efficiency, equity, etc. would have been misleading. The question, then, critical to the analysis will be whether the housing goals DACHI set out to accomplish were fulfilled, and if not, why.

First, the rent structure was more targetted for the moderate-income than the low-income households. Several reasons contributed to the problem of affordability: (a) the price of housing stock and land in

the inner-city neighborhoods, and in particular, in Cabbagetown was very expensive; (b) government grants were fixed at \$5,000 per each rehabilitation unit for urban areas--the limit was too low for inflated prices. However, evidence from the case study also indicates that, in comparison, with the market rent structure, DACHI offered substantially lower rents for similar accommodation.

Second, if the rent structure contributed to vertical inequity, then the policy of giving preference to the Cowley-house residents contributed to horizontal inequity. Again, this issue must be balanced with the question of possible relocation of the incumbent residents if DACHI was to serve the needest. Moreover, the incumbent residents were a fixed group of constituents DACHI could work with and share the responsibilities of management and control in the later phase of community involvement.

Third, three factors contributed to the inefficiency of DACHI, as an organization: (a) the lack of financial resource required co-operative members to work on a voluntary basis; (b) the mortgage loan from the government could not be drawn as salary for board of directors who were permanent staff of the co-operative; and (c) the lack of development expertise meant that members had to spend an inordinate amount of time in structuring the financial package and designing the program. Moreover, the time resource was required in citizen participatory process.

Implementation Problems:

The "in-fill" component of the program and the scale of the project provided the basis on which the opposition built its objections, thereby creating a number of obstacles to the implementation of the proposal. Some examples are cited below in support of this argument.

The first example can be found in other non-profit housing corporations operating elsewhere in other parts of the city. These organizations did not meet community opposition because they focused on renovation and small scale projects, usually one to two houses in the community. Another example will be the Spruce Court, located in Cabbagetown one street south of DACHI, which was bought and renovated by the City's non-profit housing corporation. The third example will be the Bain Avenue non-profit rental housing in the community just east of the Don River-- a project based on renovation and met no community resistance.

The implication is that if DACHI had pursued its original plan to renovate the scattered houses in the community, it would have met little or no resistance because there would have been no basis for the opposition to fight against it.

Another Perspective:

If the resolution of the social concerns and housing needs is approached in terms of the ideological construct of a non-profit co-operative, the structure of DACHI seems to be able to resolve many of the basic issues such as speculation, displacement, housing as credit good, etc, that afflict our neighborhoods. Some of these issues are dealt with later in the discussion. Conceptually, DACHI was able to resolve these issues because of the following reasons: First, DACHI as a non-profit organization, implies that the rents were used to pay for the government loans, and the maintenance of the housing units. No part of the rents will be used for profits. Second, DACHI as a co-operative integrates management, control and use without having its members to pay a large down-payment to achieve that. Thus, it combines control over the

environment with consumer sovereignty, thereby resolving the alienation aspect that afflicts our housing problems. Third, DACHI resolves the dichotomy between housing as shelter and use on the one hand and housing as shelter and a commodity for speculative gains on the other. Finally, because DACHI is a "par value" co-operative (as opposed to market value or mortgage repayment types), the members can join without a large down-payment and leave without cash subsidy from the co-operative. Thus, it is anti-inflationary.

From this perspective, DACHI within its immediate physical environment resolves many of the basic issues underlying the housing problems and community concerns of those found in Cabbagetown. Yet, the irony is that DACHI was not successful in dealing with these issues outside its immediate physical environment.

In summary, the analysis indicates the following findings:

- o the antecedent conditions created the social concerns and the housing shortage for the moderate and low income households in Cabbagetown, but at the same time provided DACHI a strong constituency made up of the politicized working class;
- o because of the inflated land and housing value in a gentrified neighborhood, the limitation of resources, and the lack of expertise, DACHI could only provide for the moderate rather than the low income households;
- o the implementation process was adversely affected by the 'in-fill' and the scale of the proposal because of the political opposition inherent in a gentrified neighborhood; and
- o though DACHI could only resolve, to a limited extent, the community concerns and the housing needs in Cabbagetown, it was able, to a large extent, to resolve them within its own environment.

SOCIAL INTEGRATION OF CABBAGETOWN

The split in the community that was triggered by the urban renewal was aggravated by DACHI. If the historic propensity of class conflict in Cabbagetown, because of the precedent conditions discussed earlier, had been dormant, DACHI was responsible for surfacing the conflict. As will be argued in the discussion later, the split was articulated in terms of ideology, in terms of class lines, and in terms of control of these interests between property owners and renters. Though DACHI re-activated these divisions within the community, it also re-integrated them in the later stages of the development of the proposal.

Several reasons can explain this change. First, primarily because the working class residents had been radicalized before and their participation in the planning of DACHI was available, as the public meetings indicated. Second, the working class residents were themselves potential 'victims' of the gentrification process, in the sense that in the workings of the market forces, they were not rewarded but rather penalized. Moreover, their stay in the neighborhood was made precarious by the rampant speculation and renovation of the middle class families. Thus, if DACHI advocated the working class interests--the provision of affordable housing--DACHI found an already sympathetic constituency. Third, as a community-based organization, DACHI reinforced its legitimacy as proponents of the working class interests.

As advocates, the DACHI members viewed the proposal as the embodiment of particular interest groups. Planning, in this manner, becomes pluralistic and partisan. As noted earlier, advocacy planning in Cabbagetown identified with the low income renters rather than the homeowners,

and thus became a class issue. Further, it identified with other partisan politicians than the Progressive Conservatives, and thus became a political issue, as Davidoff asserted "that there should be conservative and liberal plans, plans to support the private market and plans to support greater government control." [P.Davidoff. "Advocacy & Pluralism in Planning" in JAIP XXXI No.5. 1965]

Though DACHI confronted the situation in terms of class and political lines, it also created an opportunity for the opposition middle class and the opposition political party to take their stand. DACHI with its established legitimacy was able to be very much identified with the community residents' association, the aldermen, and the City's planning agency.

Citizen participation process was the framework in which the social re-integration of Cabbagetown found its roots. With citizen involvement instituted, the split between homeowners and renters was gradually fractionalized. The 'silent' moderates who were also property owners were finally drawn into the DACHI camp because of the following three factors. First, usually these moderates came to Cabbagetown because of their dissatisfaction with the suburbs and Cabbagetown to them represented the type of heterogeneous neighborhood they were looking for. Though they bought and renovated their homes, their intention was not to speculate or to sell them 'when the price is right.' They were in Cabbagetown to stay. In this manner, the moderates had a different ideological construct than the conservatives' which was to keep out the low income renters in order to protect their property interests.

Second, the open structure of the residents' association and the

honest dealings of DACHI with the community, and their openness to allow the public to participate in decision-making were instrumental in creating opportunities for the moderates to shift their support to these groups. In addition, all decisions made about the DACHI proposal have had the consensus of the majority of the community through public meetings.

Third, after DACHI received the guarantee of the government mortgage loan, it began to initiate community participation, such as block meetings, sub-committees, etcetera. The re-structuring of DACHI board of directors to allow future Cowley-house residents to become directors, and the setting up of various sub-committees to reassess the proposal were significant indications that DACHI was willing to relinquish its control to the future residents of the co-operative and to the community.

In contrast, much of the strategies advocated by the opposition groups had been formulated behind closed doors. Generally, their lobbying techniques misrepresented the DACHI case, and the closed structure of the property owners' association alienated the moderates. The gradual shifting of the moderates' support to DACHI cause during the process cemented the chasm that existed prior to DACHI--the chasm between the working class and the moderates.

In summary, the analysis indicates the following points:

- o DACHI aggravated the split between the working- and the middle-class--a split that existed in the community before DACHI;
- o the citizen participation process became the building block of a more inclusive organizational community network;
- o because of the fact that DACHI played the role of an advocate, it also made sharper divisions along the political lines, i.e. the non-Progressive Conservatives and the Progressive Conservatives; and
- o Cabbagetown became more socially integrated when the moderates identified the co-operative as part of the community.

PLANNING PROCESS FRAMEWORK

The analysis focuses on the politics of adoption: the decision-making process, the support and non-support of DACHI, and the control and means available for shaping the environment and achieving the stated goals. The previous discussion identified the role of citizen participation as instrumental to building a more inclusive network. This chapter analyzes the participatory framework in terms of which interest groups worked within it and which worked outside of it, and the reasons for these different approaches.

The planning process framework based on public meetings, used in Cabbagetown, was traditional and limited. It also polarized the various interest groups. The opposition groups had attempted, within the contexts of the process, to advocate their positions. However, they did that through the combination of the public meeting forum as well as the political machinery. For example, the opposition groups wrote to various politicians denouncing the DACHI proposal even before the preliminary proposal was presented to the community. Later in the process, after DACHI got the government loan, the opposition tried to infiltrate the first working committee and demanded the mandate to make its decisions.

Yet, the political machinery at the provincial level was very much integrated with the planning framework and the decision-making processes at the community, or even at the City level. For example, the reversal of the favorable OMB decision by the Provincial Cabinet testified to the supremacy of partisan politics. From this perspective, the decision-making mechanisms available at the community and the city levels were subordinate

to that at the provincial level. This strong division between the province and the local governments is guaranteed by the Canadian Constitution which gives the Provinces the mandate for housing policies and the implementation of those policies within their respective jurisdictions.

While the opposition groups worked within and outside of the planning framework at the community level, the DACHI groups (DACHI, the community residents' association, etc.) worked closely within the established framework. There are three reasons for this differentiation: First, the DACHI groups had the support of the community and City; second, the established framework gave them the control over their interests; and third, the goals of the community and the goals of DACHI were quite similar, thereby giving DACHI both political and social legitimacy in the community. The goals of DACHI strengthened its legitimacy at the City level because they were synonymous with the City's (as indicated by the Chief Planner during the re-zoning application process). Furthermore, the ward aldermen, being advocates of non-profit housing, politically supported the DACHI project.

Thus, within the established framework, the DACHI groups were able to differentiate between the public and private interests--the public referred to "providing affordable housing" and the private referred to "keeping the neighborhood for the middle-class". And, of course, they identified their interests with "the public interest". On the other hand, the opposition groups, though refusing to equate "the public interest" with those of the DACHI groups, generally felt the political and social pressures within Cabbagetown and within the City Hall which indicated their (the opposition's) interests were "private interests." One letter

to the editor of a Toronto newspaper strongly indicated this general sentiment:

What's wrong with being middle class? ...It took us three years to save up enough money for a downpayment on a house... But why must we be made to feel guilty for wanting our area, with our friends' and children's friends across our streets?... Why do we have to justify our desire and our need and our right to live in a cohesive community where we will find people like us--friends? [Toronto Star, January 25, 1974.]

Thus, there was a recognized public sentiment against renovators and the middle-class in Cabbagetown, at least, to the extent that prompted the writing of this letter. Curiously enough, the writer canvassed for anti-DACHI support on the basis to "stop the high density, government subsidized development", with hidden implications that DACHI was similar to the generally despised "high-rise public housing." Though the division between "the public interest" and "private interests" was not as clear as in the case of say, urban renewal, the division was made clear enough in Cabbagetown. But if DACHI advocated "the public interest" within the process framework, the opposition could only advocate their own interests outside that framework. The political machinery at the provincial level was the significant alternative.

Not only was the planning process limited for the opposition to negotiate for their control, thereby forcing them to seek another alternative, but also it was political. As discussed in the previous chapter, DACHI as an advocate had to be partisan and its actions would identify issues along class and political lines. DACHI and its supporters, especially the aldermen, identified with other partisan political parties than the Progressive Conservative Party, to which the local MPP and the Mayor belonged. As noted earlier, the province and the city housing

tasks force studies recommended non-profit co-operative housing as alternate form of housing. Therefore, DACHI represented the implementation process of these recommendations. Yet, the local MPP and the Mayor being members of the Progressive Conservative, identified with the anti-DACHI groups in Cabbagetown. This connection, then, raises the issue of the dilemma--between the avowed "public interest" and their allegiance to their political party, i.e. their "political interest".

Their resolution of this dilemma, as the case study indicates, affected the DACHI proposal within the community process framework and within the provincial political machinery at the Cabinet level.

In summary, the analysis indicates the following findings:

- o public meeting forum as the planning process was limited, uninformative and not instrumental in building consensus;
- o the decision-making process within this framework worked for the DACHI groups, and not for the opposition groups, to the extent of getting control and achieving goals;
- o the framework was useful for the DACHI groups because there was a recognized conflict between the public interest and private interests, with the DACHI groups advocating the public interest;
- o the opposition groups worked outside of the community planning and decision-making processes because within Cabbagetown and in the City their interests were regarded as "private interests";
- o once the opposition groups turned these "private interests" into "political interests" for their local MPP, they gained powerful support which eventually stopped the 'in-fill'; and
- o because the final decision-making rests with the province, the ability of the participants to gain control and to achieve their goals, either at the community or city level, was very much undermined.

PRESERVING NEIGHBORHOODS UNDERGOING MARKET REINVESTMENTS

The analysis focuses on non-profit housing co-operatives as mechanisms for preserving neighborhoods undergoing market reinvestments. "Preserving" implies keeping or encouraging the moderate and the working class families to stay in their neighborhoods without being displaced by a "rising" market type such as the one in Cabbagetown. It does not imply, however, preserving deteriorating neighborhoods.

As a means for providing affordable housing, non-profit co-operatives such as DACHI, must be looked at as only one of the many strategies used for stabilizing a "rising" neighborhood market type. Literature on neighborhood stabilization suggests mechanisms such as increasing resident ownership, moderating outside demand, constructing additional housing, assisting residents to remain, etc. [see Goetz, Colton, et al. Stabilizing Neighborhoods: A Fresh Approach to Housing Dynamics and Perceptions. Washington: U.S. Department of Housing and Urban Development. 1977]

The intention of this analysis is to see how relevant it is to use non-profit co-operative housing like DACHI as prescriptive measures to preserve neighborhoods undergoing market reinvestments. This analysis is done within the Canadian contexts, legislature, etc. as outlined in the Background, and is carried out with particular reference in a gentrifying neighborhood like Cabbagetown.

Some of the strategies for stabilizing a "rising" neighborhood market, mentioned in the above, are in fact embedded in the idea of a non-profit housing co-operative. Except for the strategy concerning moderating market, DACHI comprises many of the other components: increasing additional housing, ownership, and assisting residents to stay. In this context, the DACHI case study, as well as the second case study are to a

great extent a study of the implementation of these strategies. However, what most literature did not indicate is the entrenched values, political and economic interests--what I call the socio-political reactivism--that became an almost insurmountable barrier to implementation.

Thus, DACHI is connected with two aspects of the same problem: the implementation of strategies to preserve a gentrifying neighborhood; and the socio-political reactivism that undermined the implementation process.

Related to the strategies in question, DACHI set up to provide affordable housing and to increase residents ownership(collective), can be viewed as a countervailing force within the framework of a gentrifying neighborhood, and as an anti-market endeavor deleting the profit dimension while giving the residents both control over their environment and management of the housing.

As described earlier, a number of City sponsored non-profit rental housing was provided for in Cabbagetown and in its immediate neighborhoods, without meeting the socio-political reactivism as DACHI had. The primary point that can be made about these two types of organization is that while the City's corporation was more efficient in implementation, it was less effective in building community consensus and leadership. On the other hand, a community based non-profit co-operative has a stronger legitimacy within the neighborhood. While it was less efficient in implementation, it generally was more instrumental in developing local initiative and leadership.

A small-scale project can be efficiently handled by private co-operative organizations which have one or two people on the staff. A renovation type of operation can avoid the kind of socio-political

reactivism that DACHI encountered. Many small-scale and renovation-type of non-profit housing co-operatives have been providing housing for the moderate and low-income families in Toronto without community opposition. The thrust of the argument is not to show that non-profit housing co-operatives have to be confined within the scale and type of development, but rather to indicate that a community-initiated development has more advantages than a City sponsored non-profit rental housing, and that to overcome the socio-political reactivism the structure of the planning process, the organizational set-up, the institutional framework, etc. have to be changed. Some of these aspects will be further discussed in the Conclusion.

As the case study and the previous analysis indicate, many of these advantages include advocating consumer and community interests, implementing a vehicle for local participation, mobilizing existing community resources, meeting community needs, and providing an open and more easily regulated development operation. A community-based co-operative, especially in a gentrified neighborhood where there are 'affected' working class renters, has a constituency to work for.

The discussion pin-points the following reasons why a neighborhood-based housing co-operative can play an important role in preserving neighborhoods undergoing market reinvestments:

- o city non-profit rental housing has fewer problems of implementation, if based on rehabilitation type development, but it initiates very limited community involvement;
- o to avoid the socio-political reactivism, as shown in Cabbagetown, non-profit co-operative housing can be either based on small-scale, rehabilitation type of development or the community based co-operative organization can be restructured in terms of the participation process framework, the set-up

of the organization itself, the institutional structure, etc.;

- o neighborhood based co-operative has a great many advantages not readily available in a city-based organization: meeting community needs; providing a responsive participatory process; and building a more cohesive and integrated community.
- o neighborhood based co-operative, in a gentrified neighborhood, can easily find the 'affected' constituency to work with; and
- o thus, neighborhood based co-operative can play a decisive role in providing additional housing, increasing collective ownership, assisting incumbent residents to stay, and creating a better socially integrated community.

CHAPTER FOUR: FRANKEL/LAMBERT - CASE STUDY II

1. INTRODUCTION

Located in the edge of a community about 2 miles north-west of downtown Toronto, the Frankel/Lambert Neighborhood is a major residential development being undertaken by the city non-profit housing corporation. The project, consisting of some 750 units, a school, an elderly building, community facilities, and parks, is now under construction. Even though the community participated in the planning and development of the project, it strongly opposed it.

The controversy surrounding Frankel/Lambert arose from the opposing views and conflicts between the community and the City. In short, the City's objectives are the community's concerns. [J. Berridge. Interview January 21, 1980.] As much as the DACHI proposal had polarized the interest groups within the community, the Frankel/Lambert proposal had consolidated the community interests into one unified opposing camp. The framework in which both the City and the community representatives participated in the planning process not only constrained and frustrated the ability of the community to implement its priorities but also highlighted the major chasm between these groups in terms of their goals

and values. The Frankel/Lambert case offers a number of insights into the dilemmas the city non-profit housing corporation has to resolve, and into the social milieu that underlines the contradictions in "preserving existing community and in providing housing for the moderate and low income families"-- the city non-profit housing corporation's *raison d'être*, which in itself a source of dilemma.

2. OVERVIEW

The 23-acre site for the Frankel/Lambert Neighborhood is part of a community bordered by Christie Street, the Canadian Pacific Railway tracks, Davenport Road, and Shaw Street. The community contains some 800 units, of which 77% are owner-occupied. [Census 1976. General Population, Housing, Family, and Labour Force. Data for Census Tracts] Some of the houses were built in the 1920s but the majority was built after the 1940s to accommodate the influx of immigrants from Europe and the Mediterranean countries.

Between 1971 and 1976, the number of apartments had increased from 9% to 29%, while the detached houses decreased from 25% to 20%.

[Census 1971 and 1976] To the north-east of Davenport Road and Christie Street is a middle and upper-middle class neighborhood of Hillcrest Park, which contains large single-detached houses and a strong community and residents' association.

People

Immigrants who arrived in the early 1950s settled in this part of the neighborhood, and by 1971 some 45% of the population were second generation Canadian, mostly of Italian origin. The next major group

was from the British Isles constituting some 23% of the population. [1971 Census Tracts] But by the late 1970s, the community racial mix was substantailly different. Though the Italian residents remained the dominant group, other ethnic groups--the 'New Canadians' such as the Greeks, the Portugese, and the Asians-- began to settle in the neighborhood.

The population had decreased from 4,390 in 1971 to 3,300 in 1976 as the more wealthy residents began to leave the area for other parts of Metropolitan Toronto for more spacious accommodation. The exodus of the 'second generation' Canadians corresponded to the 'new communities' west of the Metro. Those who remained during the same period were mostly homeowners. Though homeownership showed an increase from 68% to 77%, the actual number of units owned remained quite the same. In 1971, 615 units were owner-occupied, and in 1976 it was 620. Since the 1970s the area has become a stable residential area in which homeownership is generally high (77% as compared with the City's 42% in 1976).

In 1971, the average family income was \$7,821, as compared with \$8,294 in Cabbagetown, \$10,508 in the City, and \$11,814 in the Metro. [Income Distribution by Census Tract, 1971. Table 3] Only 9% of those who worked in 1971 earned above \$10,000, as compared with the City's 38%. The majority of the population consisted of blue collar workers engaged in the production and manufacture industries, in particular, the building construction trades.

Because of the absence of the impact of urban renewal in the area (only 3 neighborhoods in Toronto had been designated for urban renewal: Trefann Court, Cabbagetown, and Kensington), the community was

not split on those issues in the way Cabbagetown was. The trickle of the middle-class newcomers such as teachers, business executives, and architects, who now live in the neighborhood has not created any significant market investment pressures. The prices of the housing stock had remained fairly constant. The price of a small semi-detached 2-storey house was around \$41,000 in 1975, and it is now worth some \$50,000. (Interview with D. Amato, a resident on Rains Avenue, January, 1980]

3. CITY NON-PROFIT HOUSING CORPORATION: GOALS & STRUCTURE

In 1972, the reformed-minded City Council and many neighborhoods rejected government subsidized public housing that usually turned into ghettos for the poor. The city non-profit housing corporation was structured on the philosophy and policy direction as espoused in Living Room - a document written by the Housing Work Group (2 aldermen, and 1 representative from the Mayor's Office, City Planning Department, Development Department, and City Legal Department) which recommended a number of strategies for the City in providing alternative housing for the moderate and low income households.

Among the recommendations, six are most pertinent to the goals and structure of the city non-profit housing corporation.

- o that the preservation and improvement of existing housing and existing neighborhoods must be assisted by regulation, and through financial and technical assistance;
- o that the City should take an active role in housing and explicitly the role of co-ordinator of all housing programs;
- o that the development of the capacity of community based non-profit corporations as producers of housing should be encouraged to allow greater community involvement in the planning and operation of housing projects;

- o that private non-profit producers of new housing be given first priority in the allocation of site in the city land bank; the City staff would give the private non-profit groups technical assistance in project planning, design construction, and operation;
- o that at least 50% of all units produced should house families with less than \$7,000 income; and
- o that the land assembly and banking program be instituted as the entire thrust of the proposed short term strategy to redistribute the benefits of public action, stabilize housing prices and land cost component for limited income households, provide suitable housing site, and ensure the development of socially viable and better integrated communities and neighborhoods.

Structure

City Council decided that the new city non-profit housing program, under Section 15.1 of the National Housing Act, would be a major tool for the implementation of these goals. Organizing for the delivery of housing required the City to set up a housing department and a non-profit housing corporation. In 1973, the city non-profit housing corporation was formed under the Provincial Housing Development Amendment Act(1973) which allowed Toronto to take advantage of the non-profit community sponsored housing program.

The City Executive Committee comprising the Major and 4 senior aldermen became the board of directors for the housing corporation. The Commissioner of Housing became the corporation's general manager, and the Commissioner of Finance its treasurer. The City set up a housing department with a staff of 20 and with a budget of \$250,000 in 1974. In 1975, the City reorganized and expanded the housing staff to 50 to serve 3 major functions. [J. Stutz. "The City of Toronto Housing Program" in Housing and People. Ottawa: CCSD. Vol. 6., No. 2. Summer, 1975, p. 14]

First, the planning activities included acquisition of land for new housing, acquisition of existing housing for rehabilitation, and planning assisted housing projects. Second, the development function comprises management of existing housing, new housing, property, and tenant relations. Third, the administration function includes the responsibilities for co-ordinating staff, developing procedures, and organizing accounts and financial control.

The Commissioner of Housing reports to a standing Committee of Council--the Committee on Neighborhoods, Housing, Fire and Legislation (NHFL). The non-profit housing corporation has no staff of its own and the Housing Department becomes the resource for implementation.

[Interview with City Non-profit Housing Corporation planners,
July, 1979]

4. THE FRANKEL/LAMBERT PROPOSAL

The 23-acre site consists a number of parcels: the Frankel Steel Property (10 acres); the old Lambert Lodge property (9 acres); and the Ontario Hydro Right-of-Way (3.5 acres). In 1975, Frankel Steel decided to relocate and wanted to sell its property to the City. In the same year, the Lambert Lodge property was severed into three parcels owned respectively by the City, the Metropolitan Toronto, and the Provincial levels of government. In approving the severances, the Minister of Community and Social Services required certain assurances from both Metro and the City as to the future uses of the land. These assurances retriected Metro to the provision of "homes for the aged and related social services purposes". The City is restricted to the provision

o the provision of either one or a combination of the following:
 (1) public parks; (2) site for a school; (3) non-profit family housing;
 and (4) community recreation and social facilities. [A.Littlewood:
Status Report Frankel/Lambert. 4 April, 1977. p.4]

The existing community around the Frankel/Lambert site participated in the planning of the new development in the Fall of 1976 when the City was considering acquiring the Frankel Steel property. Two public meetings were held to get community support for the acquisition before the City Council made its decision. With the approval of the community, the City paid \$3.2 million for the property.

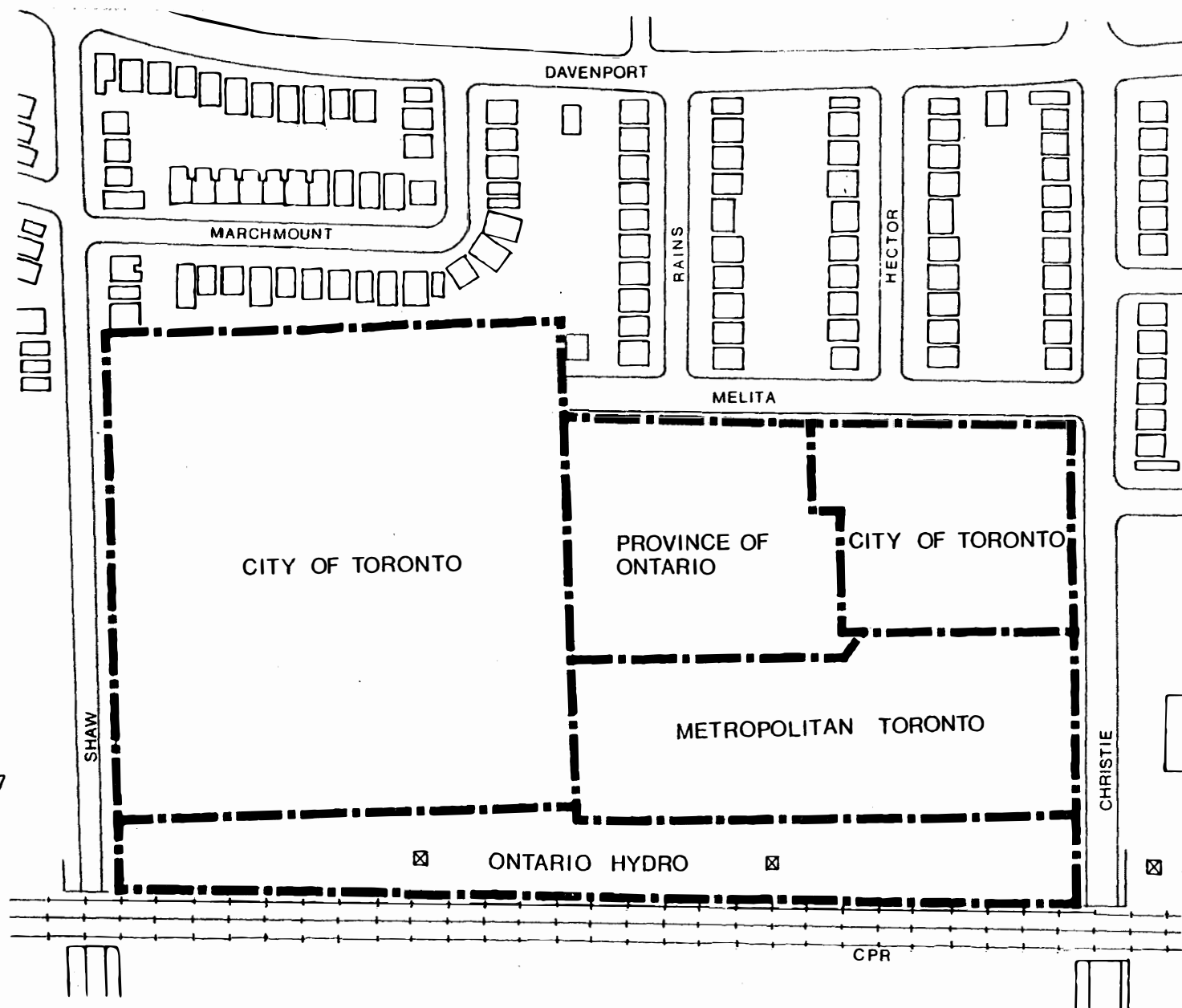
Existing Uses on the Site

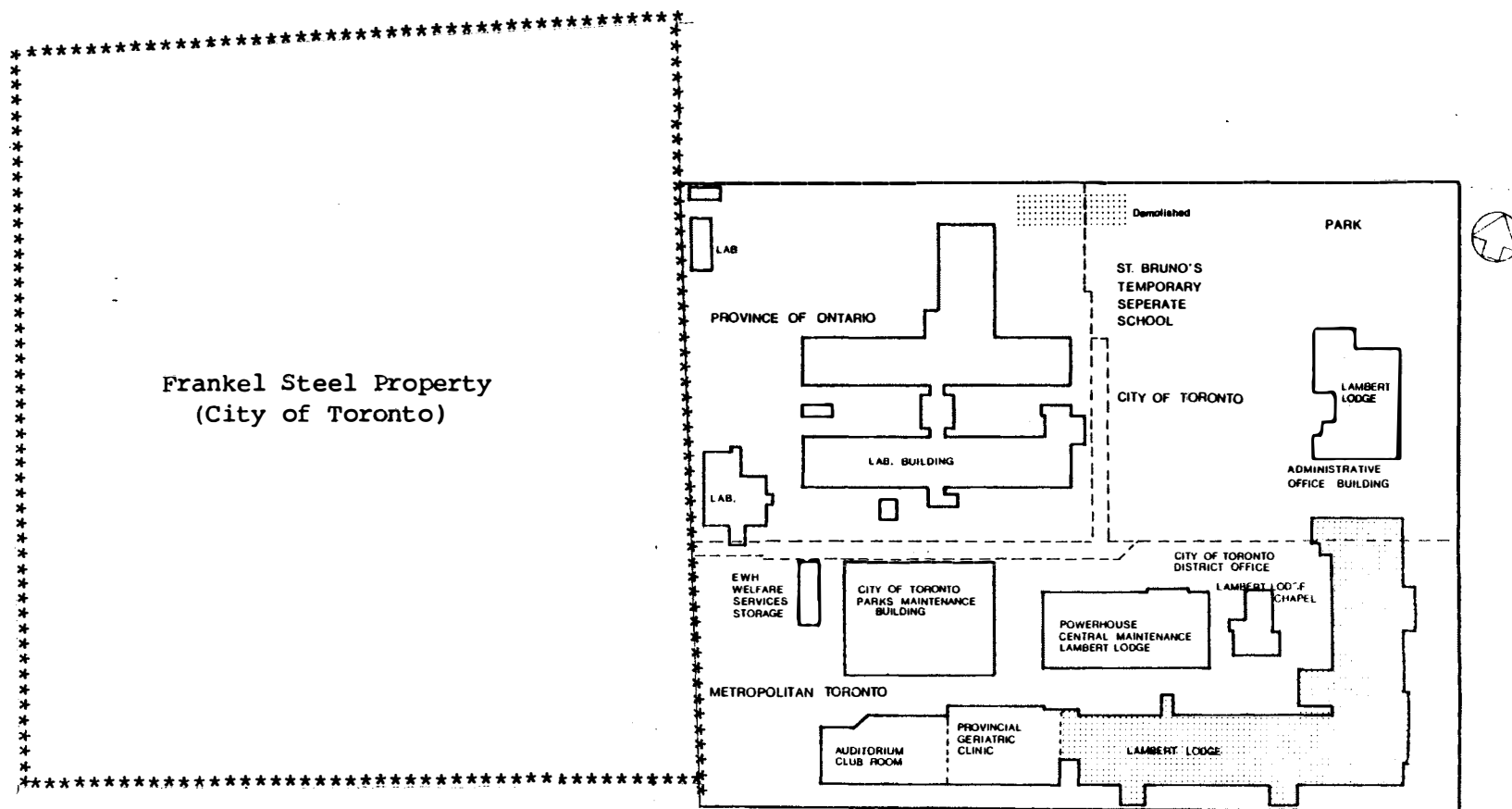
The Lambert Lodge lands accommodated a wide range of uses. On the City's portion of the property, there are 3 functions: St. Bruno's Separate School--a temporary school in a series of portables; an office building shared by Metro Social Services and by stores and laundry for homes for the aged; and a park in the north-east corner. On Metro's parcel, there are three buildings: the powerhouse and central maintenance building; a Public Health District office with various clinics; and the Ontario Geriatric Clinic and storage for Emergency Welfare Services. The geriatric clinic, involved in medical research and equipped by the provincial government, is considered an important function because it is located near the Castlerview-Wychwood Towers--a 450-bed home for the aged on Christic Street. On Provincial's land, several buildings house the Ministry of Environment Labs, the School for Nursing Assistants of the Ministry of Health, and a Ministry of Labour office.



IMMEDIATE
CONTEXT

Source:
Frankel/Lambert
Report. April, '77





Source:
Status Report by City of Toronto
 Housing Department and A. Littlewood
 April, 1977. p. 5.

Uses on the Lambert Site

Planning Principles and Design Guidelines

The numerous uses on the Lambert lands and the tripartite ownership of the site presented problems to the co-ordination of the development of the entire area. A co-ordinated development of the site could occur in two ways: First, the City could attempt to consolidate ownership of the entire site; and second, the City could attempt to co-ordinate planning of the entire area with the other levels of government.

The planning of Frankel/Lambert Neighborhood was based on five principles:

- o the new neighborhood would harmonize with the character and the qualities of the old by using the traditional Toronto grid for its layout, by providing a mixed income community; [Littlewood: op. cit., p.9]
- o the existing industrial and institutional buildings had no potential for residential renovation, and none of the buildings on the site was worth saving; [City of Toronto. Frankel Lambert Neighborhood. 1979. p.4]
- o that the neighborhood should contain a variety of housing types, design, and functions to avoid the 'project' feel associated with government public development;
- o the new housing would be arranged, as much as possible, along new and existing local streets to provide for the activity and street life associated with traditional Toronto streets; and
- o sufficient public facilities such as parks and schools, will be developed to support the new residents, and these new facilities will be located in different locations for different recreational and community activities.

The Frankel/Lambert site, since September 1978, has been divided into development parcels each of which will have a separate developer. Two documents, the zoning by-law and the plan of subdivision, define the development standards and specify ownership of each parcel. The design of individual parcels will be controlled by a set of detailed design

standards and guidelines. Parcel developers will be required to submit their designs to the City for formal review. The principles stated earlier, would set the framework for major design direction.

Working Committee

Two public meetings were held before the City acquired the Frankel Steel property. It was proposed in the second public meeting on 4 November, 1976 that a Working Committee be formed to assist in the planning of the of the project, and to encourage area residents' input into the project. In early 1977, the Frankel/Lambert Working Committee (F/LWC) was formed. It comprised 15 voting members, 2 from each of the 6 streets around the site and 1 from each of the 3 residents' associations in the community; and non-voting members, the 2 ward aldermen, representatives from the Housing Department, Planning Board, and other departments and government agencies.

The terms of reference, discussed at the second public meeting, were as follows:

- o the working committee is to advise the Commissioner of Housing and the consultants for this project of the issues and concerns related to the development;
- o the issues would focus on the physical, social, and functional compatibility of the project with the neighborhood, while taking into account both the broader issue of housing as a citywide concern, and the basis on which Council approved acquisition of the site; and
- o meetings will be open to non-committee area residents.
[Letter from the Commissioner of Housing to the City of Toronto Executive Committee, dated November 4, 1976]

The process provided an important public forum for review and debate over the development of the final plan. The Frankel/Lambert Working

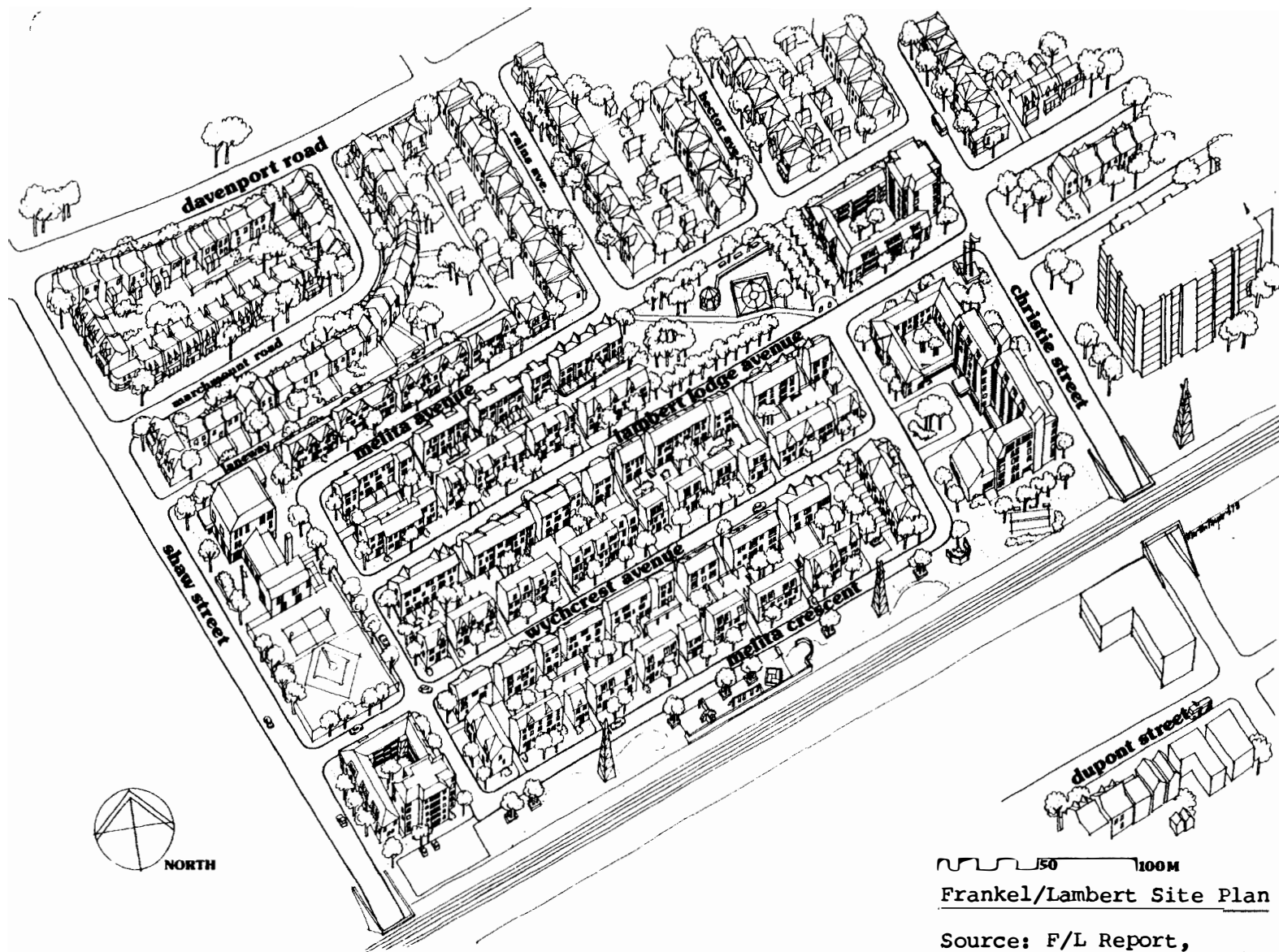
Committee met 25 times for the next 1 1/2 years, during which the development of the final proposal evolved through a network of different processes such as citizen involvement, complex negotiations with other government agencies, and planning co-ordination of the entire site. It was not until the summer of 1978 that the Working Committee was disbanded, at which point the City was able to acquire the land from the other owners, and to reach agreement with Ontario Hydro to lease its lands for park.

The New Neighborhood

The Frankel/Lambert Neighborhood is a mixed-income and mixed-use development for families within a wide range of incomes and household sizes. The project, when fully constructed in the early part of 1982, will contain a total of 750 units. The breakdown of the unit mix indicates the general range of accommodation being provided:

	Family Housing	Non-family Housing	Senior Citizens' Housing	Total No. of units
Market Ownership	140	-	-	140
Co-operative	130	60	-	190
Non-profit Rental	115	140	-	255
Senior Citizens	-	-	160	160
Total	385	200	160	745

Source: City of Toronto. Frankel/Lambert Neighborhood.
1979. p.8



Frankel/Lambert Site Plan

Source: F/L Report,
City of Toronto



Houses on north side
of Melita Avenue



Houses on Lambert
Lodge Avenue



Houses facing new
St. Bruno's School



Photo Credits:
Author

The City Non-profit Housing Corporation acted as a co-ordinator in the planning process by negotiating the acquisitions, developing the site plan, defining the program, and taking the project through the numerous planning and funding approvals. In order to create a physically and socially diverse community, the site had been sub-divided into different parcels each of which would have its own developer. The housing types, for example, the private market ownership housing, the government assisted non-profit rental, and the co-operatives are mixed within the site (see Development Blocks Plan of Sub-division).

The project is developed to serve households with income between \$15,000 to \$20,000 per year. Both the co-operatives and the non-profit rental units will have rent supplement families constituting some 25% of all the units. The 140 homeownership units represent some 20% of the total development, which is based on 0.9-1.0 times gross coverage.

5. PRINCIPAL ARGUMENTS

The conflicts between the Frankel/Lambert Working Committee and the City emerged early and became more and more articulated as the plans progressed. The goals of the City corporation are, to some extent, antithetical to the interests of the neighborhood.

From September, 1976 to June, 1978, some twenty-five Frankel/Lambert Working Committee meetings and several public meetings were held. During this period, issues critical to the project centered on four main arguments.

- o the density of the project was too high and incompatible with the character of the surrounding neighborhoods;
- o the homeownership component was too low in a community in which 80%-90% of the houses were owner-occupied;

- o the street pattern was unsatisfactory because it created through traffic in local streets; and
- o the parking provided in the project was inadequate, thereby deteriorating the already bad parking conditions in local streets.

The Frankel/Lambert Status Report can be viewed as a critical point in the planning process, around which the principal arguments evolved.

Preliminary Frankel/Lambert Status Report

Four meetings preceeded the approval of the Status Report on April 13, 1977. The City presented a proposal showing the new housing units would be related to the existing street pattern so that the project could be seen as "a part of the City and not as an isolated entity". [F/LWC Meeting minutes dated March 8, 1977] The project was based on a density of 1 times gross coverage so that affordable housing could be produced. F/LWC, in these four meetings, objected to the proposal for the following reasons. First, the density was not justified because the "land costs for the Provincial, Metro, and the Ontario Hydro lands were unknown." [F/LWC Meeting minutes dated April 4, 1977] It argued that the existing 0.69 density of the adjoining neighborhoods should be considered. Second, F/LWC questioned the possible negative environmental impacts of the large-scale development on the community. Third, it wanted a school to be built within the development to accommodate the future school children generated by the project. Fourth, F/LWC wanted a height limitation on the development in order to reflect the surrounding scale. Finally, F/LWC was unsatisfied with the unit mix concerning rent supplement, non-profit rental, and co-operative units.

The Frankel/Lambert Status Report

The Status Report, basically a technical review of the site development, did not respond to the arguments that had evolved so far. Rather it focused on 4 aspects of the site development, 3 of which contained numerous sources of community concerns.

The community did not object to the first aspect which described the tripartite ownership and the need for co-ordinated development. The second aspect dealt with the objectives and principles. It described the aims of the project, which were to provide low and moderate income housing, to achieve successful physical and social character of existing Toronto neighborhoods, and to link the new with the existing neighborhoods by a system of roads. Though F/LWC endorsed the objectives and principles, it strongly opposed the methods used to implement them--methods such as extending local streets to the new development.

The third aspect defined the program for the development. It dealt with housing, school, community and recreational facilities, and parking. The first and the last components had been objected to by F/LWC. The housing program called for 65%-75% non-profit rental and co-operative housing; the rest for homeownership. It suggested 25% to 50% rent supplement in both the rental and co-operative units, and a gross density of 1 times coverage. For the parking requirements, it suggested reduced requirements for family and non-family rental units (1 space/ 2 family rental, and 1 space/3 non-family rental).

The fourth aspect dealt with street patterns and built form. The built form was an architectural analysis of block sizes containing different housing types such as row, semi-detached, apartment buildings.

F/LWC objected to the assumption of the 1 times coverage used for the exercise. The Report suggested 3 'generic street patterns' to connect the new development to the adjoining neighborhood to which F/LWC had also strongly objected. The Report, however, opposed cul-de-sacs because "they are dangerous as a result of backing and turning... and they erode the publicness and liveliness of a street life and make the street an exclusive space rather than a public space". [Littlewood: op. cit., p.20] In essence, what it wanted was to extend Melita Street which was a cul-de-sac, and the adjoining streets to the new development.

On April 13, 1977, four members of F/LWC represented the community at the NHFL Committee meeting. Two F/LWC members questioned some of the assumptions and principles in the Report, but endorsed the recommendations. The points which these two F/LWC members raised at the meeting included a 38-foot height limit, a residential coverage of 0.7 density, 18-foot lot widths, higher homeownership component.

Two other F/LWC members supported the principles as outlined in the Status Report. They were against any height limit in order to leave site planning options open. They supported the 1 times coverage because of the economic constraints on the site, and were in favor of the unit mix and rent supplement component in the new development.

6. PLANNING PROCESS & INTEREST GROUPS

Though F/LWC became the only forum for the process of negotiations and interaction between the interest groups, it simultaneously generated constraints on the community representatives' ability in making changes.

PROCESS OF NEGOTIATIONS

Three primary factors undermined the process of negotiations. First, F/LNC members had to negotiate with the City representatives who had not the final decision-making powers. Second, this situation was aggravated by the fact that the City itself did not have the ownership of the entire site, and hence, its lack of planning and administrative control over the development. Third, the complexity of the program involving the provision of school, senior citizen's home, etc., required the approval of a multitude of government agencies at different levels of government.

In these circumstances, the interest groups negotiated and engaged in trade-offs which were not binding because decisions made at the time could only be tentative decisions dependent on factors external to both the City and F/LNC. For example, the provision of a school would fall within the jurisdiction of the Toronto School Board, the Metropolitan Toronto Separate School Board, and the Provincial Ministry of Education. Another example, the provision of community and day-care facilities as suggested by F/LNC members, in a Metro senior citizens' building would run contrary to the Metro's normal program for such a project.

Moreover, the mechanism provided in the process did not allow constructive dialogue. Disagreement or objections were not resolved at the meetings between interest groups, but rather they had to be referred back to the appropriate level in the government agencies where final decisions could be made. For example, the members of F/LNC would have the burden of presenting their objections to the Executive Committee or the NHFL Committee.

In retrospect, one of the F/LWC members severely criticized the whole process of negotiations and community participation:

the meetings were cooked, the end result were predetermined, and the community had been used as a tool...in general, I don't understand why the City asks the neighborhood questions when it is unwilling to change from its course of actions on the basis of advice received from the Working Committee. [Interview with a F/LWC member who wished not to be named, January 15, 1980]

Thus, the complexity of the development, the lack of control of the site, and the involvement of numerous government agencies generated a process in which various interest groups competed and bargained with each other for control over jurisdiction, programming, and decision-making.

INTEREST GROUPS

The interest groups can be categorized into two camps: the voting members of F/LWC; and the non-voting members of F/LWC. As described before, the former consisted of community representatives from the neighborhoods in the area. The latter included representatives from the Housing Department, Planning Board, School Boards, and other levels of government agencies. The ward aldermen and the riding's Provincial Member of Parliament were also part of this group. The number of 15 voting members was fixed; but the non-voting members participated in the meetings only when issues concerning their agencies were discussed.

The discussion that follows will first focus on the nuances of interests among F/LWC voting members, and second on the other interest groups among the non-voting members.

Interest Groups: Voting Members

The community, as described earlier, has a majority of its residents from the blue-collar class, but those elected to F/LWC come from the middle-class. The F/LWC voting members represented a wide range of professions: university professor, architect, business executive, teachers etc. The upper-middle class voting members were from the Hillcrest and Wychwood neighborhoods, north-east of the site. Of the adjoining 7 streets, Rains, Hector, and Marchmount would be most affected. The interests of representatives from these streets are different from those of the Hillcrest/Wychwood area.

Three distinct groups can be identified. First, as evidenced by the F/LWC members' reactions to the Status Report, there were two members who were sympathetic with the City's proposal. To this minority group, the technical issue were secondary to the primary aim of the City to provide affordable housing for the moderate and low income households. From this perspective, the density, the homeownership mix, and parking requirements were insignificant.

One dissenting member was the vice-chairman of F/LWC, representing Marchmount Road, and the other one was representing Shaw Street. This minority group of two had not been able to influence other members. Because of this, dissension with F/LWC was not significant enough to divide the members into different camps, and the values and opinions represented by F/LWC, in general, represented those of the majority group.

The second interest group constituted the majority. As will be discussed later, the objections of this group turned from the technical issues to the more fundamental issues such as the City's mandate to provide housing, or the "expensive" price the City paid for the Frankel

Steel property which consequently required the high density to make the project economically possible. This group represented the more 'conservative' values of the community. Among the group, the more articulate members who strongly opposed the City's proposal were the Chairman of F/LWC from Hector Avenue, and the representative from the Hillcrest Park neighborhood.

The third group comprised those members living on the adjoining streets especially on Rains, Hector, and Marchmount. These members strongly resisted the City's "generic" street patterns tying the old and the new neighborhoods by extending local streets. In essence, this group wanted to keep the neighborhood from becoming a part of the new development for two main reasons: negative impact on the existing house and land value, especially if the proposal was perceived as "public housing" by the general public; and the deterioration of their streets in terms of "through traffic" and parking conditions.

Thus, their objections to the new development were based on (1) the street pattern which became a critical issue between the members of this group and the City's Consultant; (2) reduced parking requirements for the family and non-family rental units which they saw would generate excess parking on their streets; and (3) the density of the development in terms of the "incompatible" scale between the old and new neighborhoods-- a factor which would lower their property value.

In general, all these 3 groups were motivated by two concerns: (1) the value system they held in terms of their views and ideas about provision of moderate and low income housing in their neighborhood. Within this ideological construct, the first and the second interest groups belonged.

The first minority interest group shared this ideology and understood the density, homeownership and rental mix, etcetera, were necessary constraints if housing produced was to be targetted for the moderate and low income families. The second interest group with members from the Wychwood neighborhood whose property would hardly be affected, ideologically objected to the City's proposal by questioning the City's mandate to provide housing.

(2) the economic and physical impact on the existing property value constituted the second construct to which the third interest group belonged. Yet within this third interest group, there were members living on Melita Avenue (directly facing the existing industrial plant and the government institutions) who favored the new development in terms of its positive environmental change in the area and in terms of creating a more compatible land use (residential) than what was on the site (industrial and institutional). The Melita Avenue residents saw the project as a definite environmental and visual improvement. However, they were a minority within this third interest group. Residents on Rains, Hector, and Marchmount represented the majority of the third group whose views were described earlier.

Interest Groups: Non-voting Members

In this category, six interest groups are identified: (1) the City; (2) the elected representatives; (3) the School Boards; (4) Metro Social Services; (5) Ontario Hydro; and (6) Provincial Ministry of Labor.

Most of these interest groups would be discussed in the following two sections. This section focuses on two perspectives: (A) the balance between community interests and those of the City and the elected

representatives; and (B) the commitment or non-commitment of the other groups in co-ordinated site planning. This division is made because of two primary reasons. First, Metro, Ontario Hydro, and the Provincial Ministry, being different government agencies, did not have to commit themselves either in support or non-support of the City's project, or its mandate to provide affordable housing. Second, these agencies were also co-owners of Lambert site, and hence, a more cogent examination will be to understand those factors influencing their commitment or non-commitment in co-ordinated site planning.

(A) Balance of Interests: The first interest group--the City was engaged in three different but interrelated processes. First, the City was involved with the physical development of affordable housing in Frankel/Lambert site. Second, the process of citizen participation was a tool to get community support rather than community control over the development. The third process concerned with site planning co-ordination with other agencies was a necessity because of the lack of control over the ownership of the site.

Among these processes, the second and the third were secondary to and in support of the City's mandate to provide affordable housing. Problems arising out of site co-ordination with other agencies could be resolved by consolidating the site ownership which eventually the City did. But conflicts of interests between the City and the community could not be resolved without jeopardizing the City's housing objectives--not only to build a moderate and low income housing development but also a development that would harmonize with the existing neighborhood. The balance between community interests and the City's priorities was struck: the density

and the proposed unit mix in order to create an economically viable affordable housing; and in terms of the proposed street pattern in order to physically integrate the new with the old neighborhoods, or at least not to create a 'project feel' about the new development.

The second interest group--the local Provincial Member of Parliament and the two ward aldermen supported the new development, or at least the two aldermen were bound by "their office to support the City housing policies". [F/LWC Meeting minutes dated September 14, 1977] However, their political interests required them to support their constituency wherever possible. From this perspective, the elected representatives looked at the project in terms of which components in the development were critical to the project's economic viability and which were not. Section #7 will further explore this particular aspect.

(B) Commitment or Non-Commitment in Co-ordinated Planning: The third interest group--the School Boards co-ordinated with the overall planning, in particular the Metropolitan Toronto Separate School. Five reasons can account for this commitment: (1) the Separate School Board's temporary but over-enrolled St. Bruno's Separate School situated on Lambert land had been serving the predominantly Catholic families in the community; (2) there was a strong community support for the Separate School System in the area where student enrollment had been increasing; (3) the existing unmet demand and the anticipated demand consequent of the new development created a real and urgent need for a Separate school; (4) a new school building could only accommodate the new recreational and cultural facilities, such as the gymnasium and the library, which the community wanted to share; and (5) a bigger and a fully equipped new school

was definitely preferable to the existing temporary portables. Thus, the Separate School Board's interests corresponded to the community's, and the Board's commitment in co-ordinated planning also reflected and met the objectives set by the community.

The rest of the interest groups--Metro Social Services, Ontario Hydro, and the Provincial Ministry of Labor had many reasons for non-commitment in co-ordinated site planning with the City. Among these reasons, three were most evident. First, these agencies had ownership of the land, and thus, control of the uses of their property. Second, co-ordinated planning implied diminishing their control. Finally, accommodating the City's or/and the community's interests would create unnecessary (in the sense that their commitment was voluntary) conflicts between the agencies own priority and those of the City and the community. The following section will examine these conflicts in greater detail.

7. COMMUNITY ISSUES & STRATEGIES

Although the majority of the Frankel/Lambert Working Committee members opposed the project for different reasons, as described earlier, the Committee, as a whole, worked collectively to identify the issues and to adopt strategies that would bring about political support.

The strategies comprised a series of actions intended to manoeuvre interest groups to a position sympathetic to the concerns of F/LWC. These strategies included the following: (1) identifying community issues related to Frankel/Lambert development; (2) requesting the elected representatives to state and clarify their positions on those issues;

(3) creating a situation in which the Housing Commissioner had to respond to those issues; and (4) using the Commissioner's response as a focus for the interest groups to clarify their positions.

This chain of actions occurred in the period from July 19, 1977 to September 14, 1977, coinciding with the development of the site plan. The following account traces those strategies F/LWC employed and describes the outcome of the manoeuvres.

Identifying Community Issues

The 'Site Planning Progress Report' completed on July 12, 1977 acted as a catalyst for the F/LWC members to document the community issues in a Brief which they presented to the City Executive Committee on July 20, 1977. Prior to the presentation of the Brief, F/LWC had discussed various aspects of the site plan on two previous meetings. Two specific items in the site plan recommended by F/LWC had not been implemented. First, F/LWC recommended a dispersed form of low-rise senior citizens' housing that would contain community and cultural facilities. The Metro Social Services Department, in charge of Metro senior citizens' housing, and its consultant presented a study which called for a 250-unit high-rise senior housing. The F/LWC members rejected this proposal on the grounds that "it was written without any communication between F/LWC and the Consultant and it did not reflect the objectives of the City and the community." [F/LWC Meeting minutes dated June 22, 1977. p.1]

Second, the City's consultant presented the preliminary site plan report which suggested 4 alternative street patterns. The one recommended by the consultant was strenuously objected by some F/LWC members.

In the Brief presented to the City Executive Committee, F/LWC documented 'major', 'medium', and 'minor' issues related to the development. Four 'major' issues identified were (1) Density: F/LWC objected to the proposed density of 1 times gross coverage as incompatible with the existing low density community, and quoting from the Robarts Background Report, a housing study of Metro Toronto, it stated:

the acceptability to local neighborhoods of new housing projects depends to a great extent on the ability of elected representatives and local officials to ensure that development proposals fit in well with the existing community. [F/LWC Brief to the City of Toronto Executive Committee. July 19, 1977, p.1]

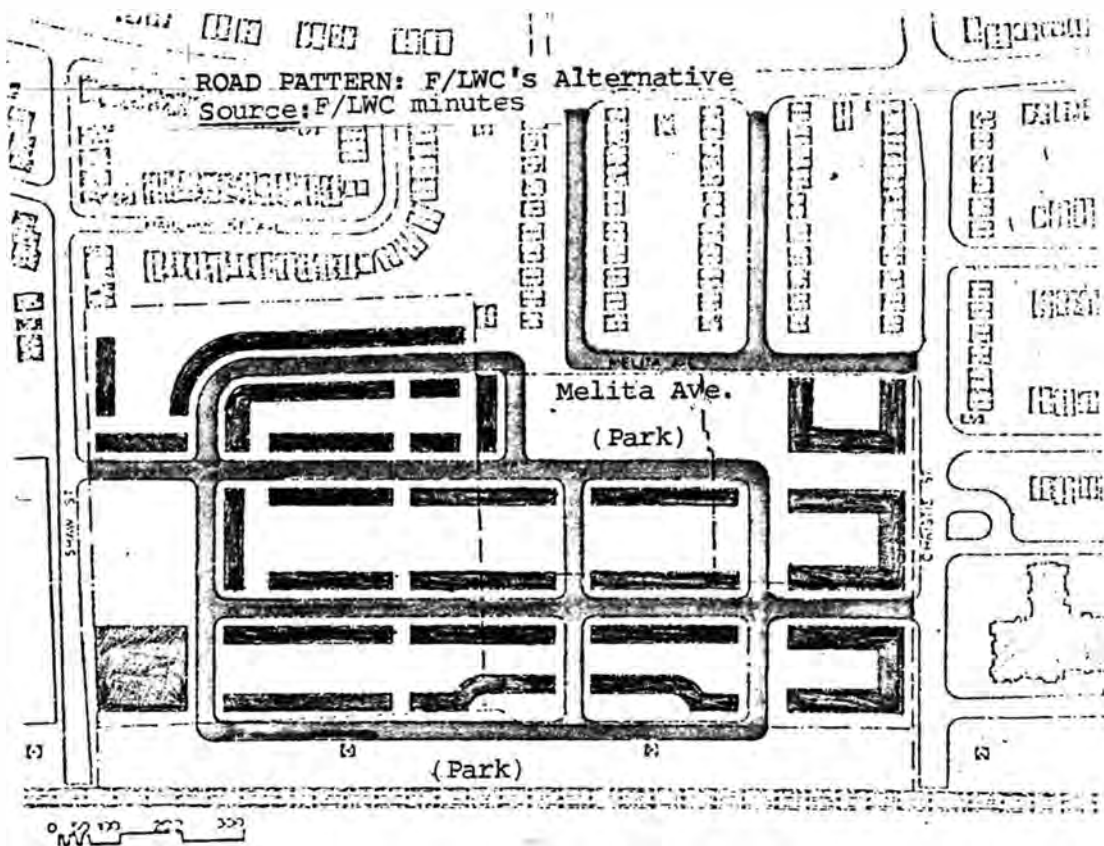
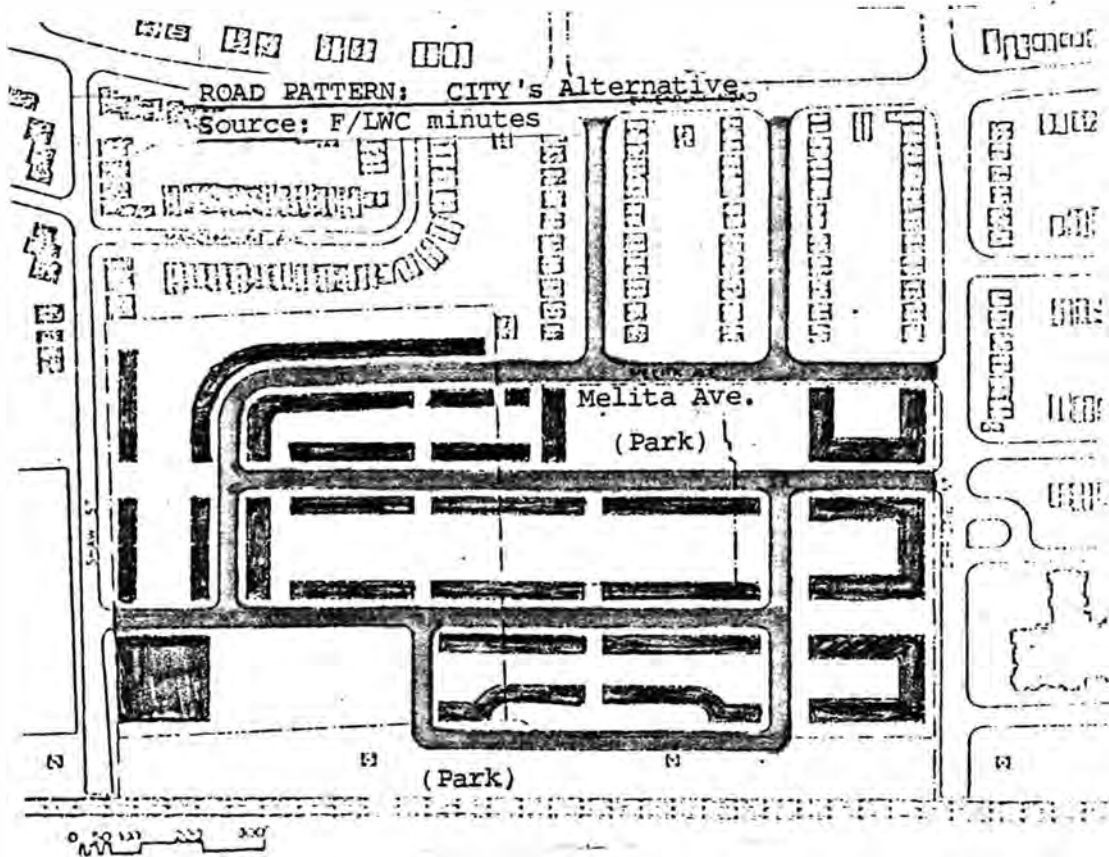
(2) The Program: In particular reference to the rental housing component of the project, F/LWC identified the new development as 'public housing', and asserted that:

public housing projects are seen as particularly burdensome since they generally require municipal cost sharing and may, in addition, bring social and other problems. [ibid., p.2]

F/LWC presented statistics from the Robarts Report that showed that Toronto had built more public housing (1952-1974) than any other boroughs, and questioned why the City wanted to build more.

(3) Road Pattern: Because of the proposed extension of Melita Avenue to Shaw Avenue and Christie Street. The community and all members of F/LWC found the road pattern unacceptable. It was strongly felt that Melita Avenue should stay as a cul-de-sac to ensure no vehicular impact on Rains and Hector Avenues.

(4) Parking: F/LWC found the reduced parking requirements for the rental housing units inadequate. It asked the City to furnish all the necessary information on the number of parking spaces, and parking arrangements in the development such as off-street or indoor parking.



F/LWC identified six 'medium' issues all of which required the City's clarification of status of the program facilities envisaged. These issues included the following: (1) School Provision: F/LWC found there was inadequate information on the proposed school site, parking spaces, and student enrolment; (2) Ontario Hydro Right-Of-Way: The City and F/LWC had suggested the use of the right-of-way for park and road development, but Ontario Hydro was recently considering a plan to use its land for storage purposes. F/LWC asked the City to pursue this matter further with Ontario Hydro; (3) Metro Senior Citizens' Units: After F/LWC's suggestion of a dispersed form of senior housing was turned down by the Metro government agency, F/LWC asked the agency to consider a single loaded corridor type structure. The Commissioner of Metro Social Services recently informed F/LWC that the proposed structure would too expensive to get Federal funding approval; (4) Local Senior Citizens: F/LWC wanted special consideration be given to the local senior citizens in applying for the housing units. Yet the City and the Metro Social Services had not began to dicuss this aspect. F/LWC asserted that "this should be a consideration if we are considering the existing community and its needs"; [ibid., p.3] (5) Notification of Rezoning Application: F/LWC wanted the notification to "list all proposed Non-profit Housing planned for the Ward, their location and density coverage...This will enable each group and citizens to understand and analyze the impact of 1.0 gross densityon their neighborhoods, i.e. communicate the current policy of the City of Toronto Housing Department"; [ibid.] and (6) Height: The proposed site plan showed 2 apartment

structures that might be 5-6 stories high. F/LWC felt that they were too high to be properly integrated with the existing area.

In the Brief, F/LWC identified 2 'minor' issues: (1) Report Graphics: F/LWC found them misleading and lacking in data and dimensions; and (2) Report Schedule: F/LWC objected the schedules for submission to various Committees and wanted to have more time to review the various reports and "enable working taxpayers adequate time to review and prepare reports". [ibid., p.4]

In conclusion, the Brief stated that F/LWC did not wish to delay the program by a flat rejection of the report, but instead, "we request that the rezoning application proceed and that the Housing Department be instructed by Council to alter the program to more homeownership which permits reduced density and meets the community's concern."

Request for Issues Resolution

The City Executive Committee referred the F/LWC Brief to the Commissioner of Housing for considerations and comment. Although F/LWC continued to press for a change in unit mix, tenure mix, and the density, the Housing Department co-ordinator explained that "he was not prepared to make a recommendation radically changing the existing program." [F/LWC Meeting minutes, August 10, 1977 p.4] On August 12, 1977 the preliminary site plan was approved by Council.

On September 2, 1977 in a letter to the Commissioner of Housing, F/LWC felt that "there is an urgent need for you to get involved personally" to take the necessary action to resolve or recognize the issues. It further stated that "we cannot as a Committee continue to agree to disagree and be motivated to participate in further planning sessions."

The members of F/LWC wanted to know where the Commissioner and the elected representatives stand on the issues as stated in the F/LWC Brief. F/LWC also requested them to document their position and provide handouts for distribution because "we, the Committee, have documented our concerns on behalf of our community and we see no reason for our elected and paid representatives not to be able to do the same!" [ibid., p.2] The Committee "invited" the Commissioner of Housing, the ward Aldermen to a meeting scheduled on September 4, 1977.

Response of the Commissioner of Housing September 9, 1977.

The Commissioner's response and position were, to a large extent, a restatement of the positions that had been presented at F/LWC meetings by either/both the City's representatives and Consultants. In his letter, he clarified his position on each of the issues F/LWC raised.

(1) Density: The Commissioner justified the proposed density for the following five reasons. First, the original density (1.35 times coverage) at the time of acquisition had been reduced to 1.0 times coverage. Second, the proposed density was the minimum to make the project economically viable. Third, the density did not appear "unreasonable" in terms of the physical and social implications--senior citizens' building, 3-storey townhouses. Fourth, in terms of the impact of this project (at the proposed density), the neighborhood would have a new school and playground, recreational facilities and parks. Fifth, the replacement of industrial and institutional building with residential uses provided a reasonable compatibility between the new and the old neighborhoods.

(2) The Program: The Commissioner argued that the different mix of ownership, and co-operative and non-profit rental housing was reasonable

because of the City's mandate to provide affordable housing--the homeownership component was added to the project to reflect the character of the existing community; and because there was the Federal program (AHOP) which offered homes at reasonable costs to the buyers. Furthermore, he argued that the City did not want to increase the homeownership component because to do so would mean a decrease of family rental and co-operative units.

(3) Road Pattern: In essence, the City's position was similar to the Consultant's, namely, Melita Avenue should continue across the site because it would link the two communities both "physically" and "symbolically", and perpetuate the normal City street pattern.

(4) Parking: The Public Works Department had accepted the reduced requirements of the rental housing. Marchmount Road which had bad parking conditions would be provided with a new lane for access to backyard parking.

The Commissioner clarified the following 'medium' issues: First, the Metropolitan Toronto Separate School Board indicated their interest in building a school in the community. Second, the Metro Social Services had received the site plan and found it acceptable in terms of area and location for a Metro senior citizens' 6 -7 storeys structure. Third, the local senior citizens living in the surrounding area would be given priority for accommodation on the site, and the local residence preference had been the normal procedure for the City in selecting tenants for its housing.

Positions of Interest Groups

The Housing Commissioner's letter was tabled and used as the focus for discussion in the F/LWC meeting on September 14, 1977. Eleven F/LWC members, the two ward aldermen, and the local Provincial Member of Parliament presented their positions on the issues. The views and comments presented in the meeting indicated a consensus among the F/LWC members. In the past, F/LWC members had generally questioned the 'technical' issues, but in the meeting the majority of the members questioned the more 'basic' concerns such as the ineffectiveness of the Working Committee, the City's mandate to provide housing, and so on.

In essence, the F/LWC members adopted a new basis for their position. On the question of density, some members wanted an all market ownership housing development. Some challenged the City's contention that increasing the homeownership would not decrease the density and they wanted the City to produce an economic analysis in supporting that contention.

On the question of the street pattern, a survey conducted by one member indicated that:

In general the residents feel that the City will go ahead and do whatever it wants anyway and we will be put in a position where the only way we can avoid being part of the new development is sell our houses. [F/LWC Meeting minutes. September 14, 1977]

Several members also questioned why it was important to join the streets because "most people in the area relate to other people on the street in which they live and not to people on other streets." [ibid., p.11]

Several members asked why the City wanted to build non-profit rental housing in the city areas where the price of land was expensive and not in the suburbs where the land would be much cheaper. A few members felt the Working Committee had reached an impasse because expediency was

emphasized rather than long-range plans, because of the lack of compatibility of the project as a result of a large scale development in a small residential low density neighborhood, and because of the \$300,000 per acre price for the Frankel Steel property, which constrained the density and the economic feasibility of the development.

A number of F/LWC members shared this position and one felt that "no concessions had been made by the Housing Department and that the dialogue of this meeting was unlikely to change that." [ibid., p.2] Another questioned why the City wanted to plan with the neighborhood when the City was unwilling to adopt different alternatives suggested by the working committee. [ibid., p. 8]

The elected representatives--the MPP and the two aldermen--were able to distinguish between those issues critical to the project and those not critical. For example, all three of them supported the density proposed by the City, but expressed doubts about the street pattern. The MPP though Melita extension was "a political question and not necessarily a site planning issue", and, therefore, he supported the community. [ibid., p.4] They all confirmed the Frankel Steel price was very reasonable, thereby implying that the capital cost of acquisition did not create both the density and economic constraints. They strongly supported the non-profit rental housing and defended the Working Committee process. Thus, all of the elected representatives were in support of the City proposal, either because of the political platform they advocated as in the case of the MPP or because of their responsibilities as City Council representatives for carrying out the City's mandate as in the case of the two aldermen.

Outcome

The process and the strategies initiated by F/LWC leading to clarification of the position of different interest groups had been unresponsive, considering that F/LWC Brief was submitted to the City Executive Committee on July 20, 1977, and it was not until one and a half months' later that the Housing Commissioner responded. The Commissioner's letter either confirmed or defended the City's positions. Both the nature of the issues and the process by which F/LWC and the City negotiated their terms limited the outcomes. The City's policies of affordable housing resulted in a density and unit mix to which the community objected; and the City's planning principles such as 'integrating the old and new neighborhoods' created a street pattern which the community regarded as 'motherhood statements'. Especially when such integration was merely considered in the physical aspects of development while ignoring the community social and economic characteristics.

Prior to the outcomes, the community had hoped that much more responsive support would come from its elected representatives because the 'reform' City Council, elected by a popular vote, had promised to give local neighborhoods more rights to plan their own environment through a participatory process. Not that the elected representatives had abrogated this promise, but that they were caught in a dilemma created as a result of the City's housing policies. The dilemma, apparent in the process, was between neighborhood's interests and, thus, the elected representatives' political interests on the one hand, and the City's mandate and, thus, the elected representatives' political obligation on the other.

For example, the local MPP was elected on the New Democratic Party's

platform. Among its promises, one was to provide affordable housing, especially co-operatives for the moderate and low income families. Also one of the aldermen had been an advocate for land and home banking policies as an integral municipal intervention in the housing market.

Following the September 14, 1977 F/LWC meeting, several responses occurred. First, the Public Works Department reported that the traffic generated by the project would be between 50 and 150 cars in the morning peak hour and the impact on the existing streets should not be excessive. Second, the Housing Department found that an increase in homeownership units would result in a marginal reduction in the overall site density. Third, on September 29, 1977, some 60 residents attended a public meeting. The results of the public meeting indicated unanimous objection to the site plan, re-affirmed F/LWC position on those issues discussed before, and demonstrated both the impatience and threats of the community:

We, as taxpayers and citizens, are being asked to judge a proposal that will impact the value and quality of our neighborhood, our properties, and our way of life. Some of us are prepared to ensure that we are heard now or at OMB or at Cabinet level. [F/LWC Public Meeting. September 29, 1977.]

Thus, the strategies initiated by F/LWC in July 1977 had produced by September, 1977 a strong community support for F/LWC. The split that occurred now was no longer between the Housing Department and F/LWC, but rather between the Housing Department and the elected representatives on the one hand and on the other the community and F/LWC.

8. DEVELOPMENT STRATEGY & SITE CONSOLIDATION

The development strategy of Frankel/Lambert did not emerge in the planning process until October, 1977 when the City published the Site Plan Report. Although the tripartite ownership of the site made the implementation process much more difficult, site consolidation was not finalized until February, 1978.

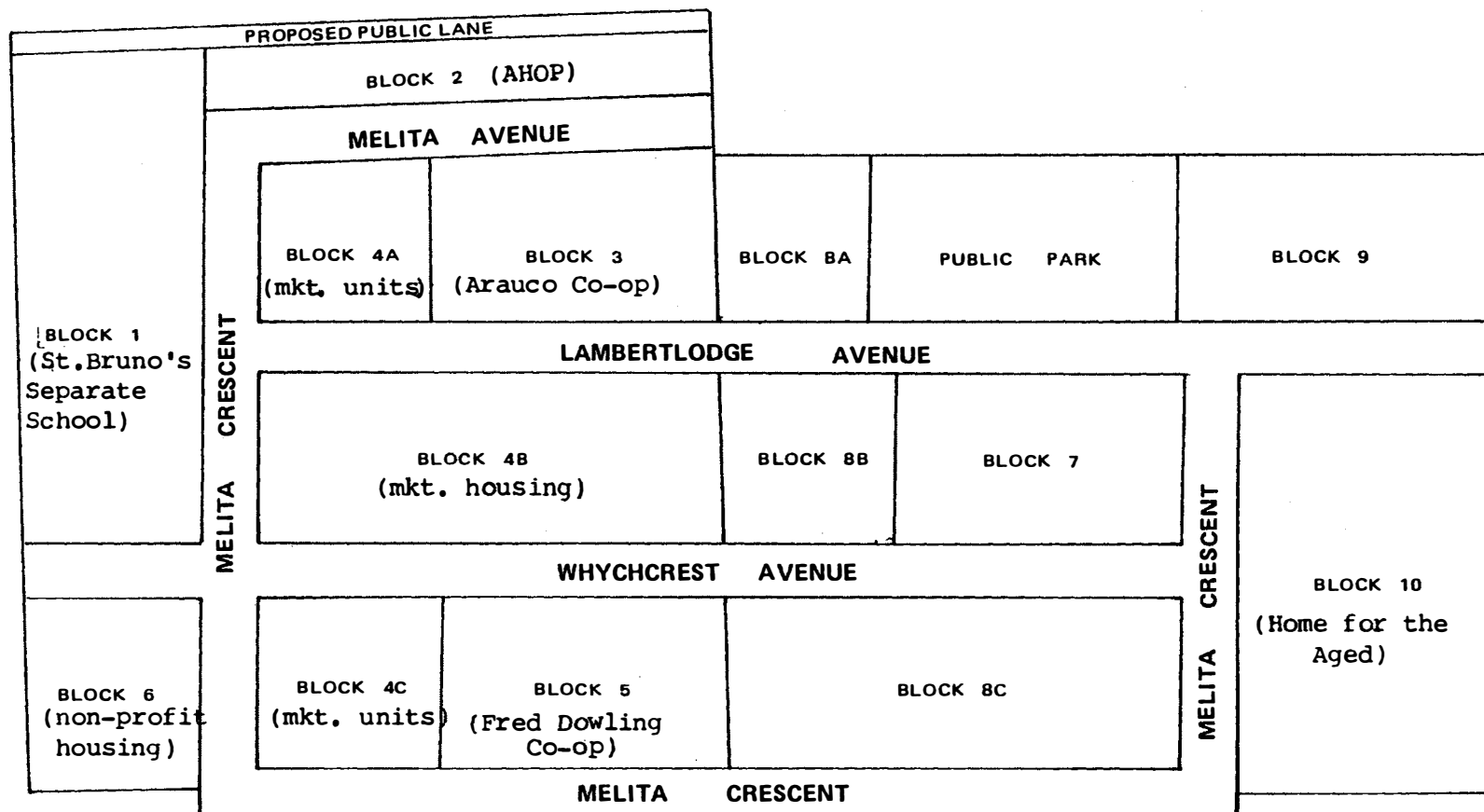
Both aspects were interrelated. They not only affected the programming of the whole development (which agencies dealing with what facilities), they also influenced the indecisiveness of the City in the negotiation process. For example, the price the City had to pay to acquire the entire site had economic implications on the program. More important was that other levels of government (Metropolitan, Provincial agencies) wavered between land exchange or an outright sale. This aspect will be further discussed later.

Thus, the lack of site ownership until the final stage of Frankel/Lambert development contributed to the problems of implementation. For this reason as well the development had been described in terms of 825 units to 1,000 units, and the program changed from time to time.

Development Strategy

The strategy was based on dividing the site into development parcels. The non-profit co-operative blocks would be leased to private co-operative groups each having its own design and developer. Those blocks for government assisted housing (AHOP) and market ownership units would be subject to a proposal call, involving the private development industry.

In the proposal call process, the City would define its program and its social and physical objectives and would seek proposals from the private



Development Blocks
and Plan of Subdivision

Source:

Frankel/Lambert Neighborhood,
City of Toronto Non-profit
Housing Corporation, 1979.

development sector. The overall proportions of rental and ownership housing and the distribution of units of different sizes would be defined. The specific pattern of units would be negotiated between the City and the successful bidder during the proposal call phase. The successful bidder would build the City's non-profit rental units which the City would maintain, the government assisted AHOP units, and other market private ownership housing.

The design proposal of any successful bidder would be expected to follow the guidelines of a site planning design handbook that would be jointly prepared by both the Planning and Housing Departments.

Sale of Land: The AHOP and the market ownership lots would be sold to the developer as 'freehold' not subject to any resale price control, for five main reasons. First, resale price controls would discourage potential purchasers. Second, the relative simplicity of built form and parking arrangements would enable homeownership lots to be sold freehold. Third, leasehold and resale price control arrangements, aimed at restricting the possibility of assembly and redevelopment, would be less likely in newly constructed neighborhoods than in existing 'older' low density neighborhoods. Fourth, new AHOP homes would have a maximum first sale price of \$47,000 as compared with the \$45,000-\$50,000 house prices in the surrounding area. Thus, the resale price control for the purpose of eliminating speculative profit taking would not be necessary. Fifth, speculative profits would not occur on the other forms of ownership units since their low prices would be determined by competitive bidding.

Site Consolidation

The Metro, Ontario Hydro, and the Provincial agencies will be considered in terms of their ownership of the Lambert land.

The Metro government owned a 4-acre parcel which, under the severance provisions, was restricted to building elderly housing or "senior citizens' facility." Metro generally supported the proposal of senior citizens' housing on the site. The Metro Commissioner of Social Services, responsible for Metro Senior housing, had engaged a consultant to study the needs for such a facility in April, 1977.

As described elsewhere, the City wanted co-ordinated site planning, and F/LWC wanted a dispersed form of senior housing which would also contain community facilities to be shared by local residents. The Director of Social Services indicated that the proposed Metro building and the decision for an overall participation in the large scale planning process would be made after the consultant's study was completed.

However, the study, completed in June 1977, recommended a 250-unit senior citizens high-rise building which would have support services, a health monitor clinic, and a recreation center. Immediately, F/LWC criticized the study for formulating a program "that did not reflect the objectives of the Working Committee" for a co-ordinated development. There had been no input from the community nor from F/LWC. [F/LWC Critique. July 6, 1977.]

The Director of Metro Social Services pointed out that the Metro usually developed high-rise elderly housing. In August, 1977 the City arranged for a land swap with Metro. However, three months later in

1977, Metro reported that it might begin the senior citizen development in the Spring of 1979. However, on February 8, 1977, Metro decided not build the project but rather to sell the entire 4-acre site to the City for \$1.4 million. Since Metro withdrew its involvement, the City was left with two options. First, to build a senior citizens' building through the private sponsor groups. Second, to build a 230-unit apartment building on the site for non-profit rental housing.

The Metro Government, though wanted to build its project, was not committed to build it in any other alternative form. Nor was Metro committed to co-ordinated site planning with the City. Selling the land to the City resolved conflicts between the priorities of the community and its priorities in following the normal Metro senior citizens' housing program.

Ontario Hydro: In July 1977, Ontario Hydro, an autonomous Crown utility company, was considering a plan to use the right-of-way for storage purposed when the City wanted the right-of-way for parks and road development for the new development. Through the intervention of a Provincial Member of Parliament, negotiations between the City and Ontario Hydro reached an agreement by the end of November, 1977.

The City could acquire road right-of-way from Ontario Hydro on condition that the road would be dedicated as a public street, and the rest of Hydro land would be leased to the City as park for the development.

Provincial Government: The Provincial government owned about 3 acres of the site for various research and laboratory facilities. In May, 1977, the Working Committee asked the local MPP to explore the availability and price of the provincial property. By June 1977, the Ministry of

Labor, the agency responsible for the provincial offices on the site, was planning to move the labs and facilities. In August in the same year, the Province negotiated the sale of their land to the City with the "possibility of land swap with some cash changing hands as the Province is currently attempting to buy a piece of property in another area." However, that did not occur. In February 1978, negotiations between the City and the Province resulted in the selling of the land to the City for \$990,000.

9. COMMUNITY INVOLVEMENT & RE-ZONING APPLICATION

The community and members of F/LWC regarded the process of participation as a long and frustrating experience. [D.Amato: Interview January, 1980] From their perspective, not only the City had not made significant concessions, but also that the process is "complicated by the independence and autonomy of each agency, municipality and ministry." [F/LWC letter to NHFL Committee dated October 24, 1977. p.3] In the proposal, there were no constants and the rules of the game changed from day to day.

As much as DACHI had divided the Cabbagetown community in the beginning, and to a great extent, united it through community involvement towards the end, so had Frankel/Lambert united the community in the beginning through the working committee process, but only alienated the whole community from the new development in the end. Community involvement, or rather the ineffectiveness of community involvement forged the diverse interests within the community into an opposing force fighting the proposal.

The following traces the development of community alienation and the disintegration of F/LWC as a mechanism for participatory process.

Site Plan

The Status Report in April 1977 acted as a catalyst for the F/LWC members to identify issues, the Preliminary Site Plan Report (July 1977) goaded F/LWC to strategize for its support, and the Final Site Plan (October, 1977) spurred the community to start a new process.

In essence, the Final Site Plan reiterated the issues and defended the City's position much of which was already presented in the Commissioner of Housing letter of September, 1977. Many of the arguments remained the same. But by itself, the Final Site Plan implied a disregard of the F/LWC members' viewpoints, and after the September 29, 1977 Public Meeting, the view points of the whole community.

Public Meeting October 29, 1977

About 55-60 people attended the public meeting to hear the Housing Department and the site plan consultant's presentation. All the points concerning the program and the site plan from the City's viewpoints and from the F/LWC viewpoints were discussed. But in this public meeting, the elected representatives gave their support to the community on more than one issue. For example, apart from their previous support to keep Melita Street as a cul-de-sac, they now stated that the traffic and parking problems were unresolved because the car ownership in the area required more parking spaces. One of the aldermen suggested the density should be reduced from 1.0 to 0.8 by reworking the proposal, and proposed the 38-foot height limit was to be reduced to 30-35 foot.

Thus, the results of the public meeting were favorable to F/LWC. F/LWC members who now only obtained unanimous community support but also the support of their representatives on many critical issues. What was significant about the public meeting was that when F/LWC wrote to the City Council on November 4, 1977 recommending lower density, higher parking requirements, more homeownership, the only F/LWC member who used to advocate the City's position also signed the letter. This implied that the split that existed before had been resolved and that within F/LWC, there was unanimous opposition to the project.

Other F/LWC Meetings

After the public meeting, the 5-6 meetings that followed were poorly attended by F/LWC members. With the exception of the chairman and one other F/LWC member both of whom attended 4 of the meetings, the rest of the F/LWC members attended 1-2 times. As compared with the past meetings in which 10-12 F/LWC members were usually present, now, the meetings had 2-4 F/LWC members out of 6-11 total participants.

These meetings occurred in November 1977 to February 1978. More important about these meetings was the act of non-involvement by the F/LWC members, symbolizing the disintegration of the process, but at the same time, the formation of a group of 'concerned citizens' began to mobilize the community so as to fight the proposal.

The 'Concerned Citizens'

In February, 1978, a number of concerned citizens had been organizing for community support to oppose the site plan and the re-zoning by-laws by printing a series of leaflets to inform the residents about the develop-

ment and its impacts on the community. Four leaflets were distributed to the community each carrying a distinct message. The first leaflet described the new development and the acquisition costs the City paid to various government agencies. Both would have, it stated, "social and financial repercussions on the surrounding community as a result of this development." [Frankel/Lambert Development: Leaflet Issue #1]

The second leaflet compared Hector Avenue with Frankel/Lambert. It pointed out the great disparity between them in terms of ownership, size of backyards, and lot sizes. It warned that the development represented 2 times the population or 2 times the number of houses per acre. The third one questioned the adequacy of the school facilities and stated that the result would be a return to the portable type classrooms and a lower level of educational services. In addition, it showed that with some 2,300 new residents, only 1 acre of park was provided, and this would mean the existing park in the neighborhood would become congested. The fourth leaflet described the co-operative and the rent supplement housing in the new development, and warned that "As taxpayers, we will be supporting these forms of housing on this site at a cost of \$1.5 million/year for the next 50 years." [F/L Leaflet #4 Issue] On all the four leaflets, the "concerned citizens" asked the residents to attend the March 1, 1978 public meeting.

Through the F/LWC chairman, the 'concerned citizens' invited the various interest groups to attend the public meeting to discuss the Frankel/Lambert site plan and development.

March 1, 1978 Public Meeting

About some 150 people attended the meeting which focused on all those issues raised by the F/LWC. What was significant about the meeting was that the community gave its unanimous support for the position of F/LWC. Among the important issues, some of which had been discussed before, five were reiterated as the basis for the community objection to the site plan re-zoning. First, the community objected to the adverse impacts of the development on the existing community in terms of the additional 2,300 new residents, the reduced open space, and the social mix of the existing neighborhoods. Second, they accused the various levels of government of their lack of commitment in developing the project, especially in view of Metro's withdrawal from building the senior citizens' home.

Third, the community questioned the cost to taxpayers for providing assisted rental, non-profit, and co-operative housing. Fourth, they stated the ineffectiveness of the planning process in giving control to the community and charged that the City and the politicians had rejected or ignored their efforts to contribute to policymaking. Fifth, they objected to the number of changes required for the re-zoning and they asked "will a private developer get all the proposed changes approved if they develop the site? For example, less than 20-foot wide lots, reduced open space, re-zoning from low to a higher density, inadequate parking space, and so on." [Interview with residents January 15, 1980]

The results of the public meeting were two-fold: First, the community would not support the site plan re-zoning and would file their objection with OMB; and second, they wanted to know what concessions the City had made, during the one and a half years of community involvement.

On June 15, 1978 the local MPP wrote to the residents of the community to persuade them to withdraw their objection before the proposal reached OMB. In his letter, he reiterated the assets of the new development, such as 750-800 affordable homes, hundreds of new jobs, new parks, a new school with community recreation facilities. He concluded that the new development would enhance the property values in the surrounding neighborhoods. [MPP's letter dated June 15, 1978]

OMB Decision

In mid-July, 1978, the community filed its objection to the Frankel/Lambert Re-zoning by-law on the following 3 grounds: First, the project was incompatible with the surrounding community. Second, there would be serious negative impacts on the social, recreational, and environmental aspects of the area. Third, the re-zoning by-law would allow inadequate and sub-standard development.

In September, 1978 OMB approved the re-zoning application mainly because those grounds for the objection were unsubstantiated and because the City had made concessions as a result of community involvement through F/LWC. These concessions, for example, included (1) the density had been reduced to a level beyond which the project would not be feasible, (2) homeownership component was added to the development to reflect the neighborhood's characteristics, even though that component was not normally developed on City's land, (4) the lot widths had been increased to 14-16 feet, (5) the community recreational facilities would be incorporated into the new school, and (6) a new lane would be added to the south side of Marchmount Road to help the parking situation.

The community did not appeal the OMB decision to the Cabinet level, primarily because the elected representatives were not totally against Frankel/Lambert although they agreed with the community and the Working Committee on several issues. Without a strong and committed political support at the provincial level, the appeal would have been both costly and impractical. Yet, with the creation of Frankel/Lambert Neighborhood--providing housing for the moderate and low income households--the existing working class community became united against and alienated from the new development.

CHAPTER FIVE: FRANKEL/LAMBERT-ANALYSIS

The analysis is structured on the same format used in the previous analysis in terms of the four central questions. Various aspects of the case study will be dealt with and the thematic issues will be discussed in the Conclusion. Moreover, using the same format based on the central questions, the Frankel/Lambert case study will be compared with the DACHI case study. Thus, this chapter has two purposes: to analyze Frankel/Lambert and to compare the two cases.

The setting of Frankel/Lambert is different from that of DACHI. Whereas DACHI was reactive to the forces of market re-investments, namely gentrification, Frankel/Lambert was prescriptive to forstall gentrification and to preserve the existing neighborhood's social, economic, and physical contexts, both in their attempts to provide affordable housing. The four central questions will be recast in light of the difference in the setting: (1) To what extent was the City's non-profit housing corporation able to resolve the City's housing needs and concerns in Frankel/Lambert? And in what manner did the needs and concerns of the City compete with those of the neighborhood? (2) Was the City's

non-profit housing corporation, as a result of the Frankel/Lambert development, conducive to the social integration of the neighborhood?

(3) To what extent did the planning process framework, namely the working committee format, allow the residents to control their environment or to achieve the goals of the community? and (4) As a mechanism for providing affordable housing, how relevant is it to use the City's non-profit housing corporation as an instrument to preserve existing neighborhoods undergoing the excesses of the market place?

RESOLUTION OF HOUSING NEEDS

The City's intention was not to resolve the community concerns and housing needs within the neighborhood of Frankel/Lambert, but rather to use the development as a means to serve a city-wide housing needs. In so doing, there was from the beginning a conflict between the City's mandate, that is "the public interest" and the neighborhood's priorities with respect to the development, that is "the neighborhood's interests". This conflict will be analyzed later.

In this context, the City played the role of an advocate as DACHI did. But in the Frankel/Lambert neighborhood the soci-economic patterns were very different from those in Cabbagetown. The following analyzes this aspect, as well as three other aspects of the case, and to see in what manner they affected the City's resolution of its housing concerns.

Antecedent Conditions:

The communities around Frankel/Lambert, unlike Cabbagetown, have a very high homeownership component--a characteristic of the ethnic Canadians--even though these communities and Cabbagetown are working class

neighborhoods. Moreover, the population, in general, has not been affected by urban renewal or by other massive private redevelopment that would have physically and socially disrupted these communities.

Thus, essentially, the Frankel/Lambert development can not be regarded as some sort of ameliorative measures for the inhabitants of the neighborhoods around the development. If the role of the City's non-profit housing corporation is perceived as advocating the cause of affordable housing, the working class families--the homeowners--are not the ready constituents the City can work for, whereas in Cabbagetown the residents formed a solid constituency which DACHI had relied on.

Affordability, Equity, & Organizational Efficiency:

To fulfill the City's mandate to provide affordable housing, these factors played an important role. The creation of the City's non-profit housing corporation was based on the premise that affordable housing could be efficiently produced if the City intervened in the housing market. Its organizational expertise relied not only on the housing department but also on an array of other departments such as planning, legal, public works within the machinery of the City Hall. Compared with DACHI, the City's non-profit housing corporation is a much superior organization in terms of financial, technical, and institutional resources.

Of great importance, in implementing the City's mandate are other instruments not available for private non-profit housing organizations. These include: land-banking and the power of re-directing government funds to serve housing for the moderate and low-income households.

As described in the case study, the use of these mechanisms was evident in the land acquisition and site consolidation processes. Yet, despite its efficient structure, the City's non-profit housing was impeded by two factors external to its operations. First, it still had to work within the economics of development, thereby surfacing the critical issue of density. Second, it still had to bargain with the other levels of government agencies, as noted in the case study, which were much less committed to the City's mandate, thereby raising the many issues of site planning control and the concomitant community and social facilities the neighborhood residents wanted.

Two primary factors had great impact on the issue of affordability. In the first place, the rent structure served the moderate rather than the low income families. Like DACHI, the rent supplement program from the federal government was used to provide for the 25% low income families in the development. In terms of the mandate, as espoused in the Living Room to provide 50% of the units for families with less than \$7,000 income, Frankel/Lambert was not successful in fulfilling this goal. In the second place, the City included the free-hold ownership component to make the scheme to serve a wider range of incomes, or to get away from "the project like feeling", economically speaking. Of course, the community also wanted the homeownership and even a higher percentage of that in the development to reflect the existing ownership/tenure mix.

Thus, the questions of vertical and horizontal equities, apparent in the case of DACHI, were less critical in Frankel/Lambert. In addition, because there were no incumbent residents on the site, the problems of priorities were less acute, in terms of horizontal equity.

Implementation Problems:

If DACHI attempted to counteract the issues of displacement of the working class, and of the lack of affordable housing in Cabbagetown, the City's project in Frankel/Lambert neighborhood created new concerns for the community. As much as the 'in-fill' component of the DACHI's proposal became the basis for severe political opposition both at the community and provincial levels, the scale of development and the tripartite ownership of the City's project became the source of conflicts not only between the community and the City but also between the community and the government agencies in other levels of government.

The conflicts between the various interest groups will be discussed later, but they precipitated a set of technical issues the resolution of which severely tested the City's dual goals of building affordable housing and preserving existing communities. Evidence from the case study indicates that this set of goals is contradictory in the context of Frankel/Lambert development. The main argument is that although the City's housing policy was based on those principles, as enunciated in the Living Room, the implementation of Frankel/Lambert development sidestepped many of the principles and emphasized the role of the City as "the developer". The Living Room envisaged the role of the City as a "co-ordinator", asserted the "development of the capacity of community based non-profit corporation as producers of housing should be encouraged", and affirmed that "the land assembly and banking program be instituted as the entire thrust...to redistribute the benefits of public action, stabilize housing prices and land costs component for limited income households..."

Yet, evidence from the case study indicates many of these principles were disregarded. Not only did the City become the developer rather than the co-ordinator, it also failed to encourage local community based non-profit organizations to become initiators rather than spectators in the planning arena. Moreover, the targetted families were from the moderate to middle income rather than low income brackets.

If the City had tried to follow the goals, perhaps, much of the social alienation and the inadequacy of community participation would have been avoided or rectified. But evidence from the case study does not indicate that was the thrust of the City implementation process.

The Frankel/Lambert program consisted of non-profit housing co-operatives, among other types of housing. If not only that they became the recipients of the City's generosity, but also that what potential initiatives they might have to bring about the involvement of the future residents in the planning had been lost. This is in stark contrast to the significant role that DACHI had played in bringing about a more responsive type of community participation. The analysis of the whole implementation process strongly indicates that the missing link lies in the need to organize, encourage, and implement community based organizations as initiators and producers of the housing component in the Frankel/Lambert development. Other findings include the following:

- o the antecedent conditions did not create a constituency the City could work for and work with, moreover, the City's project created a new set of social and housing concerns;
- o though there were less problems concerning the equity question, the issue of affordability was not resolved and therefore, the original goals, as stated earlier, were not fulfilled;

- o the high homeownership rate and the City's non-commitment in encouraging community based organizations were obstacles to the resolution of the community concerns;
- o though the City's project was in itself more complicated than DACHI, the implementation process was made more difficult by the City's commitment to fulfil its objectives rather than its willingness to foster a different participatory process based on initiatives from local community organizations; and
- o the need to resolve conflicts between the City and the community was lessened because of the ubiquitous City's mandate which cast these conflicts in terms of the public interest(the City's) and the private interests (the neighborhood's).

SOCIAL & PHYSICAL INTEGRATION OF FRANKEL/LAMBERT

The socio-economic contexts in Frankel/Lambert helped to distinguish the dichotomy between social and physical integration. In fact, these two aspects of integration are not synonymous. In the case of Frankel/Lambert, they are antithetical to each other. The following analyzes this view.

The scale of the DACHI's proposal was not significant, but in the development of that proposal, DACHI was instrumental in bringing about a greater social cohesion within Cabbagetown, whereas the development in Frankel/Lambert was responsible for the social alienation between the community as a whole and the project. It was a choice the City had to decide--whether the physical integration, specifically the joining of Melita Street and other factors in the site planning, was preferable to the unanimous objections of the community--and the City had decided to implement a site plan that physically integrated the new and old neighborhoods. "Physically integrated" implied, in Frankel/Lambert development, extending some of the streets so as to avoid the "project feel" and the inward-oriented type of site planning.

It must be noted that it was not a choice between two variables, either social or physical integration, but a multitude of other variables that came into play. What these variables were will be discussed in the following analysis. But before that one important point has to be made. The City's intention of integrating the new and the existing communities helped to create the Frankel/Lambert development as a part of the overall community structure. But the irony is that placing Frankel/Lambert in the more integrated physical environment did not help to camouflage the very different nature of the project in terms of density, the types of tenure, and the architectural arrangement of the project. If the development was meant "to harmonize the new with the old neighborhoods" through physical planning, and even at that in a very superficial manner, then disharmony between the new and the old neighborhoods had resulted. The implication is, of course, that despite so much physical and architectural emphasis had been placed on the site planning, the goal of "harmonious integration" had not been achieved. Nor could this goal be achieved without seriously taking into account other social and economic characteristics of neighborhoods' setting.

DACHI had played the role of the advocate of the "public interest", and so did the City in Frankel/Lambert. But that is the scope and extent of similarities between the two organizations. If community involvement in Cabbagetown had been the building block of community cohesion, the working committee participatory process in Frankel/Lambert had been the anvil on which community alienation was forged. While DACHI re-integrated the disparate interest groups and solidified their support for the project, the City disintegrated whatever support the interest groups indicated in

in the beginning of community participation and solidified their objections and antagonistic attitudes towards the Frankel/Lambert project.

The variables, referred to earlier, were responsible for both the outcome of the social alienation between the Frankel/Lambert community and the City, and the differences of the outcomes between DACHI and Frankel/Lambert. For the purpose of this analysis, seven variables are identified. First, the City did not have a constituency in Frankel/Lambert to work for, while DACHI had. Second, while DACHI was community based, the City's non-profit housing corporation was not. Third, DACHI had established its legitimacy within the community, whereas the City in Frankel/Lambert had not, and its legitimacy was sustained by the "public interest". Fourth, while both were working-class neighborhoods, DACHI's residents were renters and were the "potential victims" of displacement as compared with the working-class families in Frankel/Lambert who were mostly homeowners and were not the recipients of the benefits of the development.

Fifth, while there was communication between DACHI and anti-DACHI interest groups, the communication between the City and the neighborhood residents was futile because (a) the City did not have the control of the entire site due to the tripartite ownership, and (b) the City representatives in F/LWC did not have the decision making authority. Sixth, while the Cabbagetown residents enjoyed the political support of their elected representatives, the Frankel/Lambert residents did not because the aldermen had, by virtue of their office, committed themselves to support the City's housing policy, and because the Frankel/Lambert development was generally perceived as "the public interest", the local Provincial Member of Parliament supported the development. Finally,

while the DACHI opposition could employ a wide range of strategies both inside and outside of the process framework, the Frankel/Lambert opposition, that is, the community was very much constrained by the working committee format. Evidence from the case study indicated that it was not until almost in the end of the participatory process did the majority of the committee members broke away from the working committee format by non-participation, and it was not until the community's "concerned citizens" had organized opposition were the concerns of the community given the sanction and support to condemn the Frankel/Lambert development.

Underlying all these variables were not the 'technical' issues, such as the street pattern, the density, or the parking requirements, but rather the issue of "the public interest versus the neighborhood interests." From this perspective, the neighborhood concerns (as a result of the development) were subservient to the implementation process of the public interest. The political support for the community failed to materialize because of the public interest. The social alienation was reified in Frankel/Lambert by the public/private interest dichotomy.

The analysis points to the following findings:

- o the City's development created community concerns which were ignored because they were in conflict with the public interest;
- o the physical integration of the project by the system of streets was superficial;
- o to harmonize the new and old neighborhoods, as a planning principle, could not be taken at the physical level alone, and it involved not only the social and economical considerations but also the instituting of a process framework that would allow these considerations to be negotiated, discussed, and resolved;
- o the process framework must include grass-roots organizations and local community organizations to participate in the overall process;

- o the unresolved conflict between the public interest and the neighborhood interest was essentially responsible for the social and political alienation that existed between the community and the City, and between the community and its elected representatives;
- o identifying 'provision of affordable housing' as the public interest was an important issue, but what was questionable consisted of the way in which the public interest was implemented, and in which the process of participation was carried out; and
- o the social disintegration--alienating the existing community from its elected representatives, the City, and the new development--was the price paid for the building of Frankel/Lambert development.

PLANNING PROCESS FRAMEWORK

This analysis focuses on the relationship between the participatory planning process and the control the residents had over the shaping of their environment, and on the extent to which the community achieved its goals within the process framework.

The planning process framework used in Frankel/Lambert basically was structured on the working committee format as a model for public participation. The primary objective was to identify the concerns and desires of the neighborhood residents for the purpose of helping to develop specific plans and policies for the Frankel/Lambert development. However, though these concerns were surfaced in the early stages of the process (in the first 6 months of the 1 1/2 year participation), they were not resolved. The main concerns articulated in the process--technical issues such as street pattern, ownership/rental mix, density, and parking requirements, programming of the development such as school facilities, open space, and the dispersed form of elderly housing--tested and strained the decision-making mechanisms, and re-affirmed the nature

of the working committee. For example, the street pattern advocated by the working committee was discarded even though it would not have economically affected the development, and even though the aldermen and the local provincial member of parliament supported it.

What the process framework reiterated during the whole participation period was that working committee had only advisory power and that its influence depended strictly on the support from the Planning Board and City Council. The lack of control inherent in the process accounted for the frustrations many of the working committee members experienced, as the case study indicated. Unlike DACHI where the final control and management were relinquished and placed on the shoulders of the future residents, the City in the case of Frankel/Lambert retained that control to the very end.

Moreover, the process framework restricted responsive dialogue between the resident committee members and the city representatives. Objections to any recommendations would have to be communicated to the City Council by the members. The response to those objections so communicated could be and usually was the positions as stated by the City representatives in the working committee, for example, such a typical response would have been the Housing Commissioner's letter.

Generally, working committees "do have the effect of making the aldermen more responsive and accountable", [Bureau of Municipal Research. Citizen Participation in Metro Toronto. Toronto. January, 1975. p.38] but this can be true in the case of a private development. Evidence from the case study indicates the opposite had occurred--that the elected representatives were less responsive and accountable mainly because the

Frankel/Lambert project was a public development serving the public interest. In essence, the decision making mechanism was controlled by the City, in particular, by the planning and housing departments.

The analysis of the DACHI case study pointed out the fact that, within the planning process framework, the provincial political and decision making machinery overrode that of the City and the communities. The question, then, arises as to why the local MPP did not support the objections of the community? Basically, there were three primary reasons. First, the local MPP was elected on the New Democratic Party platform which advocated non-profit and co-operative housing as an alternative to the public housing. The Party generally was and is sympathetic to the working class, and it favors much more government intervention in the private market. Second, the new housing development, in place of the existing industrial and institutional uses, was in many respects much more congenial to the surrounding residential neighborhoods. Finally, the absence of such issues as working class displacement, class conflict, etc. made Frankel/Lambert development more ideologically and politically acceptable.

All these three reasons were reinforced by the overriding City's mandate--implying, to a large extent, that if the housing development was initiated by the private sector, the community's objections would have been much more sympathetically acted upon by the local MPP, and, for that matter, by the aldermen and the City.

What follows from this argument is that the process framework instituted in Frankel/Lambert, in this manner, confined the community issues within the format of the working committee. And, as discussed earlier,

the working committee format was, in itself, very limited. The case study illustrates the scope and extent of the strategies that could be employed by the working committee members; the community concerns carefully documented by the working committee were only responded to after a long wait and continuous pressures from the committee; and the response was no more than a re-statement of the previous positions of the City.

The views of the community residents had not been documented in the case study, but there seems to be a strong indication that the views as expressed by the working committee members were similar to or reflected the views of the residents. Thus, unlike in Cabbagetown where the class conflict between the middle and working class dominated the politics within the process framework, in Frankel/Lambert, this class conflict was apparently absent. Instead, the middle class--the professionals, the business executives, etc.--which made up the composition of the working committee in Frankel/Lambert became the leaders of the working class neighborhood, and articulated the concerns of the community on the behalf of the working class.

In comparison, the two case studies raise the dichotomy between the working class homeowners as in the case of Frankel/Lambert and the working class renters as in the case of Cabbagetown. This indicates, perhaps, that conflicts and struggles of neighborhood residents and the views they articulated cannot be even categorized neatly into those of 'the middle class' or 'the working class'. This issue of class conflict will be further explored in the Conclusion.

In summary, the analysis indicates the following findings:

- o the process framework not only limited the residents' control but also frustrated the efforts of the working committee members;

- o the working committee format helped to surface community issues early in the process, but it also ignored them without serious consequences to the implementation of the Frankel/Lambert development;
- o the nature of the working committee as an advisory body rather as a decision making mechanism for the residents underlied many of the frustrations and the "feeling of being exploited" the committee members felt about the process;
- o the process framework was instrumental in insulating the community from its elected members at the City and provincial levels, in terms of control and political support;
- o the participatory process was again, like other aspects of the case study discussed earlier, affected by the pervasive issue of "the public interest" to the extent that the participants' actions were identified as either supporting or not supporting the City's mandate; and
- o the analysis, further, raises the issue of class conflict, and suggests that the views, actions, and politics within the process framework have to be carefully looked at in relation to the dichotomy between working class homeowners and working class renters.

PRESERVING EXISTING NEIGHBORHOODS UNDERGOING MARKET REINVESTMENTS

The analysis focuses on the City's non-profit housing corporation or similar public organisations as mechanisms for preserving neighborhoods undergoing market reinvestments. Two major points have to be clarified. First, the Frankel/Lambert community, unlike Cabbagetown, was not gentrified to the extent where there was a persistent pattern of working class displacement. Thus, in this respect, the analysis is looking at a city's non-profit housing corporation outside the immediate scope of the Frankel/Lambert physical parameters. Second, the meaning of 'preservation' has been discussed in Chapter Three, and that definition applies. But, what is more pertinent in the relationship between the city's non-profit housing corporation and the functions of preservation is that the corpor-

ation was created to achieve a number of policy goals which asserted that:

the preservation and improvement of existing housing and existing neighborhoods must be assisted by regulation, and through financial and technical assistance... and that the City should take an active role in housing and explicitly the role of co-ordinator of all housing programs.

The connection between the City's non-profit housing corporation and 'preservation' is, thus, based on the set of planning and policy principles. The implication, posited here, is not that the City's non-profit housing corporation alone is adequate nor the only mechanism needed to rectify the excesses of the market place, but rather that if the City's corporation can be made more effective and more sensitive to the issues discovered in the previous analysis, and when it is used in combination with other mechanisms--a more favorable financial institutional structure, using the housing program as a lever to bring about other social and economic opportunities, and so on--then a more powerful and constructive tool can be created to preserve existing neighborhoods.

Therefore, the analysis has to be viewed within that context. Similarly, within the same context, the central question--how relevant is it to use the City's non-profit housing corporation as an instrument to preserve neighborhoods undergoing market reinvestments?--was framed. The development of Frankel/Lambert was a prescriptive measure through government intervention in the private market in order to forstall the excesses of the market interactions. Since Frankel/Lambert development would be entirely completed by the late 1982, the City's corporation was, in many respects, successful.

The underlying issue in correcting the excess of market reinvestments, indubitably, is land ownership. To stop working class displacement, as a reactive measure as in the case of DACHI, or to provide affordable housing in a community showing first signs of gentrification, but as a prescriptive measure as in the case of Frankel/Lambert, revolves around the question of ownership. Who owns the land and who controls the use of land are the prime questions that have to be looked at.

Related to this aspect, the City's non-profit housing corporation has the policy instrument of land banking--a large grant from the federal government for the provinces and municipalities to buy land for the purpose of providing moderate and low income housing--instituted in 1976, and as pointed out in the Background, this changed the entire approach of the City's non-profit housing corporation. Instead of acquiring old existing housing stock and renovating it, as it had done in Cabbagetown (Spruce Court) and in many projects located in the area west of Parliament Street, the City's corporation now concentrated on constructing new housing on land bought with the government grants.

Principally, then, Frankel/Lambert represented one of the two large land banking projects. The other was the St. Lawrence Neighborhood. In many respects, the land banking program became the lynch-pin on which the thrust of Frankel/Lambert was centered. The case study of Frankel/Lambert is, then, a study of the process of implementing the land banking program, and as the evidence indicates, the entire acquisition of the site came through almost in the final stages of the development.

The site acquisition process became the setting in which the conflicts between the community's needs and the government agencies' priorities were

developed. Even though the land banking program was instrumental in securing funds for the land, it took the City almost two years to gain control of the entire site. In the interim, as the conflicts between the community and the various government agencies increased, the government agencies' commitment in the project decreased. Three reasons can explain the dilemma. First, the provincial agencies, the school boards, and others, being outside the City government, were less concerned with the City's mandate. Second, their commitment in the housing development was dependent on whether their own programs could be implemented without undue interference from the community. For example, the elderly housing involving restructuring the Metro agency's program was finally abandoned because the compromised solution did not comply with the community's expectations. Third, as co-owners of the site, their interest of maintaining their control over their own program was more important than pursuing what the City called "integrated planning".

Moreover, the land banking program, used by the City to acquire and lease land to the private non-profit co-operative housing corporations, was critically important as an instrument for finding available 'sites' for these organizations. From the foregoing discussion, two important points emerge. First, 'to preserve existing neighborhood', the question of land ownership was partly resolved by the policy instrument of land banking inherent in the structure of the City's non-profit housing corporation, but the process of site acquisition, in itself, posed conflicts between the community and the respective co-owners of the site. Second, if the land banking instrument was critical to the private non-profit

housing organizations, in terms of acquiring 'sites', then these organizations had been delegated the role of 'recipient' of the government largess, rather than the role of an active 'initiator' similar to that of DACHI. Therefore, the private non-profit organizations were perceived by the community as no more than part of the City's machinery.

The role the City's non-profit housing corporation played in the transformation of the physical environment is an essential component in the discussion of the relevance of the corporation as a mechanism to preserve neighborhood. Tied to the issue of land ownership, is the question of the scarcity of available land. In this respect, the City's corporation land acquisition usually concentrated on industrial and institutional types of land use, within the City's urban boundaries. As described in the case study, Frankel/Lambert development was built on such lands. If the overall process framework has pointed to the creation of the split between the community and the City, the physical transformation of the site will indicate a much more compatible environment. If the street pattern has become the fulcrum on which the balance of the public and private interest is hinged, the physical design and the general physical planning concept behind Frankel/Lambert will indicate a definite environmental improvement in the community.

Indeed, the architectural detailing, the choice of materials, and the facades prove to be a superior development--superior to most of the private market developments, if my past eight years' experience in the housing design field does not fail me. Thus, on the one hand, the outcome of the planning process proves to be a very sensitive physical development, while on the other hand, the process framework, the conflicts, and the

community alienation have been the basis on which the high-quality and congenial physical environment has evolved. This is, indeed, the irony of Frankel/Lambert. Variables contributing to the 'irony' have either to be changed or to be sensitively catered for.

In way of addressing these variables, the advantages and disadvantages of the City's non-profit housing corporation will be discussed as to its relevance as a mechanism for preserving neighborhoods undergoing excesses of market reinvestments. The discussion will use the analysis in Chapter Three as a basis to compare the City's corporation with the private non-profit housing organizations.

Advantages:

Four advantages are identified. First, the City's corporation has an efficient organizational structure. The experience learned by the staff is retained within the organization, as compared with the 'one-shot' experience of all private non-profit co-operative organizations. This difference is further reinforced by government stipulations forbidding 'mother co-operatives'. Second, the expertise required for implementing housing developments and for assuming the concomitant roles in management, co-ordination, and supervision, within the City's structure, is superior not not only to the private non-profit housing co-operatives but also to a majority of the private sector development companies. The expertise is further improved by 'in-house' departments, and by full-time involvement in the projects by qualified staff. This is in stark contrast to private co-operative organizations which usually rely on part-time amateurish staff and usually lack the benefits of any in-house expertise.

Third, the City's corporation has a valuable policy instrument--the land banking program--which is not available to private housing co-

operatives though these organizations share the benefits of the program as evidenced in the case of Frankel/Lambert. Fourth, because of the City's mandate to provide affordable housing, political opposition at both provincial and community levels is curtailed, thereby avoiding delays similar to those encountered by DACHI. Thus, these four reasons point to the technical effectiveness of the City's housing corporation.

Disadvantages:

Six disadvantages are identified. First, because of the notion of "the public interest" serving the people who are inadequately housed, the City's corporation may not serve those within a particular community, as the case study illustrates. Thus, the City has a cause but it has no constituency to work with, as compared with a community based private housing co-operative like DACHI both of these components were present. Where working class communities with high homeownership as in the case of Frankel/Lambert or in lower-middle class communities with also high homeownership, the issue of "the public interest" will be made more acute. In that respect, the credibility of the City to 'preserving existing neighborhoods' will be continuously under attack.

Second, related to the first point and illustrated by the Frankel/Lambert case, social cohesiveness of the community will work against the City's corporation when the community's socio-economic contexts are ignored. From this, it seems that the City's corporation can best serve "the public interest" in communities where the homeownership is generally low and where the displacement of working class families is imminent or has taken place as in Cabbagetown (the City's project Spruce Court). Though the point is made within the context of this discussion,

it should not be construed as either a recommendation or a suggestion of the study. As will be pointed out in the Conclusion a different process framework has to be first set in place before some of the issues raised in the analysis can be resolved. But what this points to is that the demographic and social structure of the communities are an important factor as to the receptivity of the City's projects.

Third, the implementation of "the public interest" greatly limits the process framework, as instituted in Frankel/Lambert, and dissipates the commitment of the participants in the process, thereby abrogating the the basic principles of political equality and democratic structure inherent in grass-roots participatory processes. There must be a recognition that "centralized" or "elitist" control is both antithetical and detrimental to community based control.

Fourth, related to the above point, the format of the working committee is no more than an ostentatious form of co-optation. It gives legitimacy to the City by 'working with the community', it ignores community's concerns, it alienates the neighborhood representatives from the decision making process, and it amalgamates control and superficial citizen participation all at the expense of social disintegration and disillusionment. If the street pattern had been symbolic of not accepting the City's development, so had been the emergence of "the concerned citizens" symbolic of the disillusionment of the whole process framework and of the inefficiency of the working committee format.

Fifth, the potentialities of private non-profit co-operatives as agents of community involvement, as illustrated by the DACHI case study, have been nullified as in the case of Frankel/Lambert. Moreover, in con-

nection with the City's non-profit rental housing, the dichotomy between control and use, as discussed in Chapter Three, remains unresolved.

Talking about tenant-management arrangement in public agency owned housing, as in the case of Frankel/Lambert's non-profit housing component, John Hands asserted:

It[tenant-management] is contradictory because ownership and control are indivisible. If houses are owned by a local authority or housing association, such an outside body must take ultimate responsibility, and therefore exercise control in discharging that responsibility. It is unwise because such a token arrangement almost invariably leads to worse discontent by raising expectations about decision-making which are subsequently shown to be false...Tenant management association--such an arrangement normally proves satisfactory only as an agreed step in a transition towards a [non-profit] co-operative. [Hands, John. Housing Co-operatives. London: Society for Co-operative Dwellings Ltd. 1975. p.30.]

The point is made because the underlying issue is control and, therefore, the ownership of the land as one of the most important factors in preserving neighborhoods undergoing market reinvestments. The contention of the discussion is that control and ownership must reach the residents of the housing, as in the case of a co-operative like DACHI. Public ownership of the land contributes to anti-inflationary market operations and is essential in preserving neighborhoods, but within the micro-environment of the housing development, collective ownership as in co-operatives, is essential to integrate the two components of control and use. Thus, the City's non-profit housing corporation fails in two respects. First, it undermines the potentialities of private non-profit co-operatives as a driving force for community involvement. Second, the non-profit housing component still leaves the control/use dichotomy unresolved.

Sixth, the issue of affordability has been discussed earlier, and it has been shown that the City's non-profit housing corporation has failed to reach the target groups, as specified in the Living Room. The discussion, here, is to point out that not only is that issue left unresolved, but also that the attitude of the City towards the question of affordability is almost unconstructive and negative.

The evidence as presented in the case study is inadequate to illuminate this point, but an article in a local newspaper can clarify the problem. The article highlighted the resignation of an alderman from the City's non-profit housing corporation because the alderman wanted an income ceiling on the City's housing. In part, it reads:

[The alderman] told the board there must be a ceiling on the income of tenants 'if the program is to remain credible in the eyes of taxpayers...But [the mayor] said the non-profit program was never designed to attract only low- or middle-income families, even though the vast majority of tenants are in these categories...[The alderman] suggested that accommodation be refused to families earning more than \$24,000 a year, which is about 10 per cent higher than the median on current applicants for the corporation's apartments...Under [the alderman's] proposal, tenants' incomes would be checked every three or four years and those whose incomes exceed the limit would have to pay a surcharge on their rent...But [the mayor] said the proposal would curtail the practice of providing a good mix of tenants who earn different incomes. [Toronto Star. January 24,1980]

The contention of the discussion is not that "a good mix of tenants who earn different incomes" is undesirable because it, to a certain extent, neutralizes the stigma of "public housing", but rather that a more stringent percentage of the mix must be specified and also that the internal surcharge (as outlined in the Background), instituted by the National Housing Act since 1975, must be implemented so that the higher-income tenants would be surcharged above economic rents, and these

'profits' would, then, be used to reduce costs payable by other tenants. Thus, in order to achieve goals leading to a more horizontal and vertical equity in the City's non-profit housing, the internal surcharge must be enforced and the income mix of the tenants must be specified. At least, in part, the resolution of the issue of affordability can be tackled within those policy contexts.

The analysis points to the following findings:

- o the City's non-profit housing corporation has a great organizational capability and expertise as a mechanism for preserving existing neighborhoods at the start of market reinvestments (Frankel/Lambert) or undergoing market reinvestments and in this respect, is very much superior to the private non-profit organizations such as DACHI;
- o the technical superiority is very much reinforced by the policy instrument of land assembly program, but, however, (outside the time frame of Frankel/Lambert) this program since February 1980 has been discontinued;
- o the discontinuation of the program diminishes much of the potency of the City's corporation as a mechanism for preserving neighborhoods, and moreover, as the analysis indicates, the disadvantages now definitely outweigh the advantages;
- o though the technical expertise has already set in place at the City Hall, much of the City's housing activities will require a drastic change from that of a developer/co-ordinator to that of a manager, following the demise of the land assembly program; and
- o many of the issues raised in the analysis such as 'affordability', 'social disintegration', 'process structure', and so on, could only be resolved by a re-structuring of the overall policy framework.

CHAPTER SIX: CONCLUSION - A SYNTHESIS
AND FINDINGS

The primary purpose of this chapter is to synthesize the various parts of the study. The synthesis is carried out in terms of the findings of the analysis and in terms of the issues surfaced in the course of discussion. In conclusion, the chapter recapitulates the major findings of the study focusing on community based co-operative housing.

SYNTHESIS OF FINDINGS

The previous chapter has compared the two case studies. The emphasis of the following is to synthesize the findings. The framework for the synthesis follows the sequence of the four central questions.

1. The extent to which the two non-profit housing organizations could resolve the social concerns and housing needs of the neighborhoods.

The socio-economic contexts of the two neighborhoods were very different.

In Cabbagetown, DACHI found a constituency to work for and to work with.

In Frankel/Lambert, the constituency was absent. Whereas the socio-political reactivism came from the Cabbagetown middle class renovators, thereby constituting major obstacles for DACHI to implement its goals, the same reactivism came from the working class homeowners in Frankel/Lambert.

Because of the structure of DACHI, its legitimacy was established within Cabbagetown as a community based organization and as an advocate

of the working class. In the case of the City's corporation, its legitimacy was imposed on the community which did not share the goals the City was pursuing. The City's role in advocating the city-wide housing policy was only superficially accepted by the community, even at that, the acceptance was the result of the City's mandate.

If DACHI resolved some of the community concerns, the City's corporation created new concerns. Though both organizations were not successful in providing affordable housing to meet their target groups, the City's corporation ignored the question of affordability by not implementing 'internal surcharge'--a policy instrument designed for making the higher income residents pay above the economic rents so as to ensure public housing more vertically equitable.

DACHI was able to a great extent resolve the conflict between housing as a shelter and use component and housing as a shelter and investment component. Also through 'collective ownership', the residents in DACHI co-operative housing were both the landlord and renters. Though, City's housing in Frankel/Lambert was anti-inflationary, like DACHI, the division between control and use was not bridged. City ownership implying ultimate control and tenant management implying secondary control were and are contradictory.

Working class neighborhoods with different rental/ownership mix implied different kinds of needs and community concerns, the nature of which had significant implications on the implementation process, the question of legitimacy, and the role of advocacy. In a gentrified neighborhood, political obstacles were set up by the middle class renovators, and in a neighborhood like Frankel/Lambert, the same obstacles were set up

by the working class homeowners.

Though the City's corporation was much more efficient than DACHI, the conflicts between the community and the City were unresolved, whereas those between Cabbagetown and DACHI were resolved by a much more responsive participatory process. Thus, in many respects, because of DACHI's commitment in tackling some of the community concerns, it was able to implement its goals. In contrast to DACHI, the City's corporation created new community issues which were left unsolved. Moreover, its commitment was found in the implementation of the public interest which, in itself, was contrary to the needs of Frankel/Lambert. Though the Frankel/Lambert development was successfully implemented, the community concerns would remain ignored.

2. Which one of the two non-profit housing organizations was conducive to the social and physical integration of the communities?

If the role of advocacy deepened the division between the interest groups in Cabbagetown, then it alienated the whole community in Frankel/Lambert from the City and its elected representatives. The underlying reason was that DACHI being a community based organization was responsible for a participatory framework in which all interest groups could interact. The class and political divisions between the interest groups were, to a great extent, resolved within the process framework. A range of participatory techniques were used to mobilize the 'moderates'. Whereas, in Frankel/Lambert, the working committee format was the only vehicle for consensus building.

Cabbagetown became more socially integrated when the moderates began to participate in the planning and the development of DACHI. But

the Frankel/Lambert community became more and more alienated from the City, as the constraints of the working committee format became less and less tolerable. If the street pattern was symbolic of the physical integration, then, the 'concerned citizens' organization was symbolic of the social alienation.

Thus, in terms of the social and physical integration of the communities, the two organizations offered a study of contrasts: DACHI aggravated the class and political divisions and then re-integrated the community, whereas the City's corporation mitigated the pluralism of interests among Frankel/Lambert residents and then alienated the community from the process and its elected representatives; while DACHI advocated the needs of Cabbagetown, the City's corporation accused the community of anti-public interest.

3. To what extent the process framework, as instituted in the two communities instrumental for achieving residents' control and the goals of the neighborhoods?

Both the public meeting process and the working committee process were not effective in building community consensus and in enhancing residents' control over decision making. But in the case of DACHI, the framework was extended to a range of workshops, block meetings, various sub-committees, and so on. In this manner, the majority of the residents, (such as the Cowley-house residents, the moderates) participated in the development of DACHI. More significant, was the transfer of control from the board of directors to the community.

In Frankel/Lambert, even though the format was ineffectual in allowing the neighborhood residents to share in decision making, even though

it surfaced community concerns, and even though it created the conflict between 'the public interest' and 'the community interest', the format remained intact and the control never left the hands of the City. Thus, community concerns were ignored and the participants were alienated from and antagonized by the process framework.

The "bottom up" structure of DACHI versus the "top down" structure of the City's corporation was one significant factor in the process framework. The other was concerned with the definition of goals: DACHI's goals were synonymous with the community's; and those of the City's were antithetical to the Frankel/Lambert residents'. These two circumstances helped DACHI to relinquish its control to the community, but also helped the City to retain its control. From this perspective, the process framework in Cabbagetown contributed much to the residents' control over decision making and to the achievement of the community's goals. In contrast, the process framework in Frankel/Lambert did not.

4. Which of the organizations can be significant in preserving neighborhoods undergoing excess market reinvestments?

It must be reiterated that the contextual framework in which this question was posed must be taken into account. Chapter Five describes that context, and without reference to it, the question can only be tautological.

Neighborhood based organizations, like DACHI, have many advantages over pyramidal structured organizations like the City's non-profit housing corporation. Most of the advantages lie not in the efficiency and the expertise of community based organizations but more in the overall process framework for identifying the needs of the community, working with the

community's residents, and meeting the goals and needs of the community.

In a gentrified neighborhood, there are usually the affected interest groups which will be critical to the participatory process and the role of advocacy these community based organizations usually assume. Thus, as in Cabbagetown, there is a unified set of goals both community based organizations and the community can work towards. Even in a less gentrified neighborhood, like Frankel/Lambert where the homeownership rate was high, community based groups can work for those working class renters.

Moreover, non-profit housing co-operatives are conceptually more superior to public owned non-profit rental housing because the first kind integrates control and use, and resolves the division between owners and tenants, whereas the second kind of housing still retains that division. The resolution of this aspect of ownership is critical to the idea of preserving neighborhoods. Though, it is outside the scope of the thesis to undertake empirical studies to either confirm or reject the many advantages embedded in co-operative housing--such as better care for the housing, more sharing of responsibilities, and more constructive behavioral patterns--several such studies had been conducted confirming these aspects in co-operative residents. Of these studies, Jonathan Zimmer's and Donald Sullivan's are seminal investigations of these aspects of co-operative housing. [see J.Zimmer. From Rental to Cooperative: Improving low and moderate income housing. California: Sage Publications Inc., 1977, and also D. Sullivan. Cooperative Housing & Community Development. New York: Praeger Publishers. 1969]

The technical capability and the expertise in the City's corporation cannot be overstressed. Moreover, the land assembly policy that underpinned (the policy now is discontinued) the City's superiority was not available to

the private community based organizations. But, if these instruments have been useful to the implementation process, as evidenced in Frankel/Lambert, they are equally effective in not meeting the needs of the community and in not instituting a more responsive participatory process.

Given superior technical efficiency and expertise within the City's corporation, a balance should, at least, have been struck between the public goals and the community goals, between technical proficiency in the implementation process and respecting community concerns, between physical integration and the socio-economic integration, and between an elitist type of planning and a community based planning. Evidence from the findings strongly indicate the balance is very much biased against the community. In the words of a city planner very much involved with the Frankel/Lambert project: "advocacy planning is not necessary when the City is building moderate and low income housing." Perhaps, such an attitude is indicative of the modus operandi of generally elitist planning, but it was definitely representative of the faulty foundations on which community involvement was built.

Thus, on the one hand, the City's corporation type of organizations have the great potentials for preserving neighborhoods by assembling land for the moderate and low income housing, implementing the housing developments, and managing the built environment. But on the other hand, the City plays these different roles, often, at the expense of alienating communities. The community based organizations are less efficient but they are the conerstone on which community involvement and cohesiveness are built. The choice would have been difficult to make if it were not for the fact that the land assembly program was terminated. For all these reasons, community organizations, like DACHI, are more valuable mechanisms to pre-

serve neighborhoods undergoing market reinvestments.

THEMATIC ISSUES

Several themes pervade both the case studies and the analysis. The thematic issues, as a way of structuring the study, are critical to the exploration of the politics of both the processes and the types of non-profit housing organizations in question. Four thematic issues are identified for the synthesis of the study.

THE PUBLIC INTEREST versus NEIGHBORHOOD INTERESTS

Gans identified two types of public interest: majoritarian and communal. The division of the public interest into these two types underlies the essential differences between DACHI and Frankel/Lambert. In the case of DACHI, the goal was in the majoritarian public interest because "it is shared by the majority of the population"; whereas in the case of Frankel/Lambert, the goal was in the communal public interest because "it is essential to the existence of a 'moral community' even if the majority of the population does not share it." [Herbert Gans. "The Public Interest and Community Participation: Toward a Reconstruction of Public Philosophy." AIP Journal. January 1973. p. 10]

Identifying DACHI's goal with the majoritarian, or Frankel/Lambert with the communal, can only be valid at the community level. The main reason is that, because of the different time frame, though DACHI's goal was accepted by the majority of the Cabbagetown residents, the goal was

not part of the City's housing policy which at that point in time was in the offing. But in the case of Frankel/Lambert, the goals were very much part of the City's housing policy even though the majority of the Frankel/Lambert residents refused to accept it.

This differentiation of the two types of the public interest underlies the major difference between the two case studies. The process framework in Frankel/Lambert suffered the same problems inherent in the implementation of the communal public interest. First, the problem of identifying communal goals because they generally turn out to be shared by only a part of the population. As in Frankel/Lambert, the housing development did not benefit the incumbent homeowners, though the school facilities partially satisfied some of the needs of the residents. Second, without the consensus or the majority agreement, these goals have to be legitimated by a "suprapolitical norm that is of greater priority than the wishes of the community." [Gans. ibid.] In Frankel/Lambert, that suprapolitical norm was the City's mandate, and the clash between the priority accorded to the norm and the concerns of the community resulted in the social alienation and the antagonism of the residents, as the analysis has indicated. Third, to impose the norm on the community requires two conditions: legitimation of the process and the kind of power and control by which that norm is imposed on the community. In Frankel/Lambert, legitimation and control were coalesced in the process framework based on the working committee format.

Thus, in the case of Frankel/Lambert, the inherent problems of implementing communal goals: pluralism, imposition of a suprapolitical norm, and the control required for such imposition were crudely resolved by the

City relying on the constrained process of working committee.

If DACHI's goals were in the majoritarian public interest and if implementation of the goals did not encounter the same set of problems described earlier, the conflicts between the public interest and the private interests were aggravated by the contradictions (rather the conflict of interest) among the major actors, at the city and provincial levels. At the city level, crucial to the conflict between the public interest and neighborhood interests, was the intrusion of political interests of the elected representatives. Dilemma resulted when the political interests represented were inconsistent with the public interest the City advocated. The resolution of these dilemmas affected the outcome of the majoritarian goals DACHI represented.

At the city level, the mayor was elected on the Progressive Conservative party platform--the political party that dominated the provincial parliament. Despite his endorsement for the City housing policy advocating non-profit housing groups, and despite his commitment in preserving the existing neighborhoods, the mayor swayed in his commitment in supporting DACHI, because the local PC member of parliament had approached him for support. Buffeted between his own ideological viewpoints and the public interest(the City's housing policy)he advocated on the one hand and his political allegiance to his political party on the other, he resolved the dilemma by resorting to technical and bureaucratic measure. As noted in the case study, the measure was the "due process of planning" which would have delayed DACHI to the extent that to build the co-operative would have been impossible.

The implication is that not everyone who was against DACHI was confronted with the conflict between the public interest and the private

(political) interests. Indeed, some aldermen known for their ultra-conservative stand and who might be sympathetic to the PC party could be consistent with their political ideology.

At the provincial level, even though the local MPP was the provincial secretary of housing, even though she was a member of the task force study encouraging non-profit housing organizations, and even though she advocated the public interest (to build affordable housing through non-profit groups) in her speeches, she was the major political opponent of DACHI. The rationale for her fight against DACHI was her political interests and her control of these interests in her riding to which Cabbagetown belonged. Moreover, the conflict between the public interest and private interests was reinforced by the DACHI opposition leaders at the community level who had been strong party campaign organizers. Though her actions were very consistent with her political interests, they were also contradictory to the public interest she advocated. Again, the resolution of the dilemma was based on 'technical' grounds such as density, open space, and so on, and her political interests were realized by defeating DACHI on the issue of building the new townhouses.

In summary, the dichotomy of the public interest versus private interests pervaded different levels of the planning process: the community (described in the case studies), the city, and the provincial levels. The discussion posits four major points. First, a distinction must be drawn between majoritarian and communal public interest, and the conflict between the public interest and private interests can only be succinctly discussed at the community level. The Frankel/Lambert case exhibits the characteristic problems of a communal public interest at the community level, yet the public interest was very much a majoritarian interest (the housing

policy) at the city level. Similarly, DACHI's goal was not a majoritarian public interest at the city level (since it was prior to the formulation of the city housing policy), but at the same time the problems usually associated with communal public interest was absent in Cabbagetown. Second, the discussion rejects theories that claim that the public interest, as a whole, can be somehow be defined by 'neutral' and 'disinterested' legislators and public officials. The very nature of the NHA Amendments (1973) was a result of intensive social and political pressures brought to bear on changing the traditional ways of housing people. Therefore, the discussion confirms the theory that it is only through the continuous conflict of the full diversity of affected interests that a reasonable approximation of responsive public interest can be developed.

Third, the discussion posits the view that whenever the private interests of the powerful or of the major actors clash with the public interest, the conflict is (or is hoped to be) resolved through the guise of 'neutral' and 'disinterested' objections. Fourth, the discussion posits the view that communal and majoritarian public interest (when identified at the community level) are not abstractions because they affect and shape the process structure, the control mechanisms, and decision making differently, as illustrated by the two case studies.

CONFLICT BETWEEN THE MIDDLE CLASS & WORKING CLASS

Class conflict characterized the struggles of the existing working class for the preservation of their social and economic survival in Cabbagetown against the incoming middle class renovators. The market reinvestments would help to redefine anew the social and economic boundaries within which different social and economic groups would be slotted in the way commensurate

with the existing social and economic stratified structure of our neighborhoods. The irony, then, seems to be that if Cabbagetown had been catalytic for the formation of DACHI, it had been so at the expense of drawing sharper divisions among its residents because DACHI, in turn, eventually became the pivotal point around which the polarization of different classes revolved.

If Cabbagetown portrayed a class conflict between the working class and the middle class, then Frankel/Lambert drew a sharper picture of the conflict between the working class homeowners and the low-income residents of the new development. The conflict is reinforced by the existing residents when they stereotyped the city development as 'public housing'. The irony is, of course, that the low-income residents of the new project will only make up to twenty-five per cent of the total households, and the rest of the new residents come from similar, if not higher income brackets.

The theme of class conflict, with respect to Cabbagetown and Frankel/Lambert, touches on three aspects of the issue. First, the class conflict in both case studies remained unresolved. Even if DACHI was able to build the "in-fill", then it was only a question of whose interests had been promoted. Similarly, if Frankel/Lambert could not be implemented, only the twenty-five percent rent supplement and the working class 'non-homeowners' would not be accommodated.

Second, the analysis and the case studies seem to affirm that politics and ideology tend to take precedence over technical aspects of planning--politics and ideology that revolve around the class conflict. Much of the opposition in both Cabbagetown and Frankel/Lambert had been based on the ideological and class interests of the property owners. Third, both the renovators and property owners were "likely to collaborate when each person can see a danger to him or his family in some proposed

change; collective action is a way, not of defining and implementing some broad program or the benefit of all...(they) likely to see matters in terms of specific threats and short term costs." [James Wilson. "planning and Politics" in H.Spigel's Citizen Participation in Urban Renewal. Vol 1. Washington. pp. 50-51]

The quote, of course, was intended by Wilson to refer to the "private regarding" political ethos of the low and lower income class people. But it applies equally well to the middle class people in Cabbagetown. What this implies is that the case study evidence seems to reverse Wilson's theory. Though both case studies significantly pointed out the class conflicts that underlied the viewpoints, biases, and motivations of the property owners, it would be simplistic to categorize private or public regarding in terms of class stereotypes for the following four reasons.

First, it was the middle class professionals who advocated the interests of the working class in Cabbagetown. Second, the case study of Frankel/Lambert indicates that the working class homeowners behaved the same as the middle class renovators in Cabbagetown--keeping the lower income households out. Third, the silent middle class 'moderates' in Cabbagetown, mobilized by community involvement, finally gave their support for DACHI, indicating a shift of their viewpoints concerning housing the incumbent renters. Fourth, the renovators in Cabbagetown and the working class homeowners in Frankel/Lambert who lived close to the projects were the most committed opponents because their property value would be most threatened.

So far the discussion suggests that, perhaps, much of the political ethos and actions was first motivated by ideology (world view), then, by interests (property or political), and finally by the control of those interests in view of specific threats as a result of a new development.

The triptych of ideology, interest, and control becomes the underpinning structure of the politics and the processes involved in the two case studies. For example, the conflict between the middle and working class in Cabbagetown was very much triggered by the ideological differences between them. These differences will include the middle class 'right' to social mobility to live in a 'fashionable address' versus the lower or working class right to stay in a working class neighborhood. The groups, then, as a result of different ideological constructs, have different sets of interests. Among these interests would be the inflated property value or the lack of affordable housing stock. The control would be to protect the inflated property value or investments on the one hand and to retain the diminishing affordable housing stock on the other.

This interrelationship of the triptych's three components, the springboard for political actions, cannot be categorically stereotyped into class lines. It is the ideology that defines what those interests are in the first place. To illustrate this point, the advocates--the DACHI founders--were middle class professionals who were essentially motivated by their ideological belief. Their property value (some of them were homeowners) and the control of their property values did not play a role in the confrontation. Indeed, the working class homeowners in Frankel/Lambert expressed their views and ideology in a manner not dissimilar to those of the middle class renovators. This implies that class conflict will continue and its resolution lies not in one particular class but in those who share the ideology of bringing about a more equal society. Writing on ethnic neighborhood preservation, Antonio DiMambro asserts that:

I sincerely doubt that such radical cultural transformation will occur and that the full implications of cultural

pluralism will be realized, particularly since the intentions and concerns of ethnics do not reveal a desire to transform the infrastructure...As we shall see, ethnics appear content with the capitalist economic framework and reveal a desire to "make it" and be part of the society.

[Antonio DiMambro. "Preservation & Development of Ethnic Neighborhoods. MIT unpublished Master's Thesis. 1977. p. 176]

Perhaps, this description succinctly explains why the ethnic neighborhood in Frankel/Lambert shared much of the aspirations and expectations of the middle class. Homeownership is a very indicative step towards the desire to "make it", and this aspect of the socio-economic contexts of the neighborhood made Frankel/Lambert so different from Cabbagetown in terms of the ideological construct.

MARKET REINVESTMENTS versus NEIGHBORHOOD STABILIZATION

This thematic issue underlies the genesis of both private non-profit and public non-profit housing organizations. The connection between these organizations and the thematic issue, in particular, to help to stabilize existing working class neighborhoods is made not by personal imputation but rather by both the city housing policy (1974) and the federal task force on housing (1969). Both DACHI and the City's corporation, within this context, are anti-market activities either to check (or attempt to stop) the prevailing excess of market reinvestments, as in Cabbagetown, or to forestall similar occurrence, as in Frankel/Lambert. Thus, DACHI was reactive and Frankel/Lambert was prescriptive, both within the realm of intervention in the market place.

Market reinvestment per se can have both positive and negative consequences on neighborhood social and demographic structure. Obviously, what concerns this discussion is the excess of such reinvestment, and in

particular, the phenomenon of a gentrified neighborhood market place-- the displacement of the working class. Market reinvestment ties with many principles: the freedom of mobility and the freedom of choice.

The issue is not so much arguing against these democratic principles, as focusing them within a larger context. The issue, then, becomes the conflict of two sets of democratic principles: between one's democratic and economic right to move to where one chooses and one's democratic and social right to remain in one's neighborhood. A sharper focus of this conflict will be embedded in the question of whether or not the economic superiority of the more mobile group can supercede or abrogate the social right of the less mobile group to stay in working class neighborhoods. Paradoxically, the second group was put in working class neighborhoods in the first place because of the stratified economic order underpinning the market place and, indeed, the infrastructure of our society.

As much as we can reconcile working class displacement with the 'rational' understanding of the excesses of the market forces, so can we reconcile economic and social stratification with the discernment of the rationale and order behind it. Class and economic divisions are structured by their own rationale and order. The rationale is one entrenched in the dominant view that housing is a credit good to be speculated on and that its dual relationship rests on the idea of housing as both a shelter and an investment. The order is the dynamics or the politics of setting these views in place, and once in place, the resultant economic and social stratification. Inclusive in the workings of the dynamics is the racial and ethnic stratification because of the way different racial and ethnic groups are set up in the socio-economic strata of our society.

The stratified boundaries of neighborhoods, of course, are not static. They can be shifted and manipulated by marketing techniques. The current real estate market in Toronto, wanting to capitalize the "fashionable Cabbagetown address", has betowed the title of "Cabbagetown II" on the working class neighborhood east of the Don River. Such lineage, a creation of the economic order, is re-defining the stratification boundaries. The story of DACHI will indubitably be repeated there.

Indeed, the power of the market system fosters efficient production and minimizes the need for coercion (either through democratic majoritarian consensus or through authoritarian dictate) as a means of organizing society. Simultaneously, market like arrangements reduce as well as substitute the need for "compassion, brotherly love, and cultural solidarity as motivating forces behind social improvement." [Charles Schultze. The Public Use of Private Interest. Washington: The Brookings Institute, 1977. p.18]

But, if the market "unanimous consent" behavior is superior to political majoritarian consensus, it is so only when everything is equal, so that people are on equal footing to transact voluntarily. Evidently, in an unequal society--wage disparity, barriers to social and racial mobility--the concept of voluntary decisions and unanimous consent is vitiated. In this respect, unanimous consent is no less coercive than political majoritarian rule.

The analysis and the discussion of the case studies indicate that the remedial measures lie not within the market framework but rather outside of it, especially in the third sector non-profit and co-operative housing organizations that would bridge the fundamental chasm between control, shelter/use on the one hand and ownership and shelter/investment

on the other. Yet, the irony is clear--with a phenomenon such as "Cabbagetown II", organizations such as DACHI seem ineffectual not unlike David fighting Goliath without the sling.

SHELTER/USE versus SHELTER/INVESTMENT

Whether a heterogeneous, balanced, or unstratified neighborhood is ever possible within our homogeneous, unbalanced, and stratified society is not the question. As pointed out in the earlier discussion, the moral question is the extent to which we allow our society's inequities to reinforce the economic power of one group by denigrating the democratic right of the other group to stay in its neighborhood--an issue pertaining to the fundamental freedom of choice of the first group and to the restrictions on that freedom of choice of the second group. This, in turn, raises the political and the socio-economic stratification relationship. Where the two hierarchies do not reinforce each other or at least partially independent, the possibility exists that the political can modify the socio-economic. This can happen where the political stratification system is more egalitarian than the socio-economic one. Under such conditions, those on the socioeconomic hierarchies "will have better political positions ...(and) they can use such positions to influence governmental policies to change the socio-economic stratification patterns". [Sidney Verba, N. Nie, and Jae-on Kim. Participation and Political Equality. Cambridge: Cambridge University Press. 1978. p.3]

Underlying this relationship and pertaining specifically to our conventional attitudes towards land use and housing is the dichotomy of land ownership and land use. The distinctions between the two establish the

the separation between the two concepts in a framework that provides the opportunity to regulate land use while resolving the problems emanating from private ownership and land speculation. Back-to-the-city movements and other revitalization programs can produce collective needs that can only be provided for through societal efforts. The political reality of the separation of land use and ownership especially among Western nations has "distinctly impeded efforts to regulate land and provide for societal needs." [Urban Land Policies and Land Use Control Measures. Volume VII. Global Review. Department of Economic and Social Affairs, United Nations, New York, 1975. pp.120-121]

The separation of ownership and use in this respect can only respond to new concepts of social equality in which the right of land use should be available to all individuals. The rights of ownership may be of less concern if the rights of land use are held to be separate and distinct. Because the two are intrinsically interwoven, the speculative elements surround much of urban land development. The federal task force on housing asserts:

The right to own and dispose of property and to take a reasonable gain from one's labours are an integral part of the Canadian tradition. But the Task Force seriously questions whether such rights can be stretched to encompass situations where the owners of land reap gigantic financial benefit not from improving or working it, but merely by allowing it to lie fallow or in admitted under-use while the efforts of the community around it make such land an ever increasingly valuable asset." [Report of the Federal Task Force on Housing and Urban Development. Canada. January 1969. p. 38]

Policy instruments are not lacking dealing with these issues. Much depends on whether or not the political stratification is more egalitarian than the socio-economic one. Among these instruments are land taxes and user charges which can capture for social use some of the gains, or

"Betterment" values, accruing to land and housing owners in urban areas, as Grimes indicates:

More adequate taxation, if it were combined with special taxes or higher rates for unimproved land, could reduce incentives to hold land for speculative purposes...In practice, an inability to keep assessments up to date and the granting of exemptions--often politically motivated--can severely constrain the effectiveness of land use measures. [Orville Grimes, Jr. Housing for Low-Income Urban Families. Baltimore: The Johns Hopkins University Press. 1976. pp. 97-98]

Neighborhoods are microcosms of the larger substantive infrastructure of our society. The issues surfaced in the discussion represent some of the many obstacles facing the provision of affordable housing for the low and moderate income families in the urban areas. Resolution of these issues requires basic changes in our society, in particular, in our own perceptions and attitudes towards housing and land. Of this stratified and disjointed system, co-operative non-profit housing seems to be the antithesis. As pointed out in the analysis, it basically integrates those who control and those who use and combines property rights with the concept of non-profit; ownership with tenancy; and management responsibilities with consumers control.

The individual homeowner has a dual relationship to his house. It is both shelter and investment. But in a non-profit co-operative, the ownership is collective and is for shelter only--a use. Though the dichotomy of shelter/use and shelter/investment pinpoints the different market forces operating in the neighborhoods, the implication is that not all homeowners in the private market contributed to the rampant speculation. But, nevertheless, the shelter/investment conception has propensities for speculation, and what happened in Cabbagetown was the realization of these propensities.

GENERAL FINDINGS

This section recapitulates the important findings of the study and points out the major policy and program changes required for the expansion of the third sector housing. Emphasis is placed on non-profit co-operative housing organizations.

FINDING #1: Existing federal programs and funding priorities generally restrict the delivery capability of co-op organizations.

At the federal level, the non-profit co-operative program has not been sufficiently funded. In 1978 non-profit rental housing had some \$120 million, while co-operative had about \$37 million. Federal program stipulations encourage the ad hoc arrangements of co-op groups and discourage a more integrated system of "mother co-operatives".

Federal stringent housing standards have contributed to high material and construction costs. Through resource re-distribution, the non-profit co-operative program can be expanded.

The land-banking program has been a very important instrument in providing the limited housing sites in inner-city neighborhoods for working class families. If it is going to be re-instituted in the future, the municipalities must allow third sector groups greater control over the development of housing on landbanked sites.

FINDING #2: Within the process framework, class conflict in terms of views, actions, and politics have to be carefully looked at in relation to difference between working class homeowners and working class renters.

The usual categorization of class conflict between working class and middle class, and of political ethos (public or private regarding) pertaining to these groups is not useful for understanding the conflict.

FINDING #3 : The socio-economic contexts of neighborhoods have significant impact on the success or failure of non-profit co-operative housing projects.

The neighborhood contexts include its history, population change, homeownership/rental mix, income groups, and so on. Two models of neighborhood scenerio are used to illustrate this guideline.

Neighborhood Scenerio - Model #1: This model is most favorable to private non-profit housing groups for the implementation of co-operative housing. The following are the characteristics of this model: (a) working class neighborhood with low homeownership/high rental ratio; (b) low income levels; (c) stable community without blue collar class displacement; (d) residents have been 'radicalized' or articulate of their needs; (e) land and existing housing stock are inexpensive; and (f) interest groups are not dominated by middle class residents' neighborhood association.

The characteristics of Model #1 imply (a) co-operative housing can be made more 'affordable'; (b) there is more horizontal equity in the implementation of the project; (c) a solid constituency, co-operative housing advocates can for with and work for; (d) conflict between community groups and co-operative advocates is not likely; (e) a base for community support is established; and (f) views and attitudes of the working class renters are sympathetic to co-operative housing especially when the incumbent residents are the potential users of the project.

Neighborhood Scenerio - Model #2: This model is the least favorable to the third sector co-operative housing. It is characterized by the following: (a) a working class neighborhood with high homeownership/low rental ratio; (b) influx of high income white collar class residents; (c) intensive displacement of low income renters; (d) unstable community with high

rate of population shifts; (e) inflated land and property value; and (f) incumbent residents not 'radicalized' or inarticulate of their needs and the neighborhood associations dominated by the middle class renovators.

These characteristics imply the following: (a) co-operative housing cannot be made 'affordable' unless with deep government subsidy; (b) vertical inequity will result; (c) a lack of constituents to work for; (d) conflict between community interests (articulated by the middle class residents) and low income renters' interests is apparent; (e) a base for community support is absent; and (f) views and attitudes of homeowners are hostile to the creation of co-operative housing.

These two models represent the extreme ends of the spectrum of inner city working class neighborhoods. Between them there is a wide variety of neighborhood settings, each of which is made distinct by the range of variations of each of the neighborhood characteristics. Though the two models have been categorized into the "most favorable" and the "least favorable" for implementing non-profit co-operative housing, it must not be construed that private non-profit groups must concentrate on neighborhoods characterized by Model #1--DACHI setting up co-operatives in Cabbagetown (not unlike Model #2) is as valid as an advocate group working in Model #1 type of neighborhoods. But rather the implication is that Model #1 neighborhood setting offers the line of least resistance for the third sector groups. The decision rule--for choosing which neighborhoods to work in--must balance the ease of implementation with the constituents one identifies with.

FINDING #4 : Both the project scale and the type of construction significantly influence community support for or opposition to non-profit housing projects.

Neighborhood residents, if they are generally against non-profit co-operative housing, have no bases for their objections when the project planned is a small scale (one or two houses) renovation development. In-fill housing, requiring community support and re-zoning application, is difficult to implement in Model #2 neighborhood setting. New construction involving large scale development is the most difficult to implement and is usually outside the technical capability of the third sector groups.

As the project scale increases and as the type of construction changes from 'renovation' to 'new construction', the physical and social impacts on existing neighborhood become more and more critical, the conflict between meeting community needs and implementing the development intensifies, and community opposition sharply increases. As the project shifts from neighborhood setting Model #1 to Model #2, community opposition to the project grows exponentially.

The implication is that the third sector housing groups should develop their technical skills not so much for building large scale projects as improving their delivery capability by building more 'scattered site' small scale projects (renovation, in-fill, or new construction). The relationship between the neighborhood setting and the project scale and type is significantly critical to co-operative housing, for example, a medium scale in-fill and new construction housing project can be much easier to implement in Model #1 neighborhood setting than a small scale in-fill housing in Model #2 neighborhood setting.

FINDING #5 : Non-profit co-operative housing groups must be community based in order to serve the local housing needs.

Community based organizations, working with and for neighborhood residents, can reduce conflict among the interest groups. Because of the nature of the organizational structure, community based co-ops can work better within the neighborhood structure and institute a planning process that responds to local interests. For "outside" groups, conflict between their interests and community interests will most probably adversely affect local control and decision making. Furthermore, through a community based organization, local residents can develop community leadership and take part in the overall community decision making.

FINDING #6 : The organizational structure of non-profit co-ops, critical to the delivery capability, is presently very weak. It must be strengthened.

At present, existing government policies only encourage individual co-ops. These groups are "one-shot" ad hoc organizations and whatever expertise and skills gained by the co-op members are "lost" because the government program does not allow them to continue developing other projects. The following are several suggestions that would help to improve the organizational structure:

- (a) Private non-profit co-ops must press for program changes so that a new organizational network can be created;
- (b) this "network" comprises the creation of mother co-operatives, area-wide organizations that help to initiate co-operative ventures, to give guidance to 'new' individual co-operatives, to promote co-operative housing through educating and informing the public and through lobbying at various levels of government for program and resource distribution changes;

- (c) the funding of mother co-operatives should include not only the provision of technical expertise (for the 'daughter' co-ops) but also for those activities required to "find" new community groups interested in co-op housing and to co-ordinate all these activities within the overall co-op structure network;
- (d) mother co-ops should be encouraged by federal regulations, programs, and grants;
- (e) this organizational structure is critical to the promotion and expansion of non-profit co-op housing, and once in place, 'daughter' co-ops can rely on a continuing technical base for advice;
- (f) this structure is different from community resource groups because mother co-ops have the responsibility to 'initiate' and 'promote' non-profit co-op housing whereas consultant groups may only provide technical services; and
- (g) though the mother co-ops give guidance and advice to individual co-ops, the control over management and decision making still belong to the individual co-ops

This structural framework can provide for a greater delivery capability and promotion of non-profit co-operative housing. But it has to function within a participatory process so that local interests and needs are not ignored. This process is discussed below.

FINDING #7 : The development and implementation of non-profit co-ops must be done with a community based participatory process that allows the users' and other interest groups' input and involvement.

Instead of the working committee format (which should be abandoned as a participatory mechanism), an effective method of organizing community participation is a workshop format. Workshops should be structured around community issues and concerns in order that inputs from all interest groups can be generated to implement plans and strategies addressing these issues.

Workshops specifically oriented for the co-op users should develop guidelines for collective arrangements in management, maintenance, resi-

dents selection and so on. In conjunction with the structural framework inputs from the mother co-ops would be invaluable.

Neighborhood associations' representatives should generate guidelines for open spaces, location of the housing units, community services, and other needs that would impact the development. The workshops format can go into the design stage of the development involving the co-op users.

In principle, the participatory process must include the interest groups and the 'affected' constituents in the community through the existing community organizational network. Mechanisms for participation other than workshops are available and maybe more applicable to small scale rehabilitation type projects. But whatever mechanism is adopted, it must function within a process framework that allows 'affected' interest groups to be heard and provides a format for consensus building.

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